



STATE OF ARIZONA
Department of Health Services
NOTICE OF REQUEST FOR PROPOSAL (RFP)

**ARIZONA DEPARTMENT OF
HEALTH SERVICES**
150 N. 18th Avenue, Suite 530
Phoenix, Arizona 85007

SOLICITATION NUMBER: **BPM007148 – REQUIREMENTS, LOT 1, ROUND 1**

SOLICITATION DUE DATE/TIME: **November 5, 2026 at 3:00:00 PM Local AZ Time**

SUBMITTAL LOCATION: <https://app.az.gov>

DESCRIPTION: **HANDS Maintenance and Operation Support**

PRE-OFFER CONFERENCE: **Wednesday, September 2, 2026 at 02:00 PM Local AZ**
Time Google Meeting Info:
Video Call Link: meet.google.com/vdo-zncm-ohw
Or Dial: (US) +1 347-773-1834 PIN: 377 711 304#

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services (ADHS) online in the State of Arizona's online procurement system, <https://app.az.gov> (Arizona Procurement Portal – APP). Proposals received by the due date and time will be opened. The name of each Offeror will be publicly available. Proposals must be submitted in the State APP system on or prior to the date and time indicated. Late proposals will not be considered. It is the responsibility of the supplier/offeror to routinely check the APP website for Solicitation Amendments. Additional instructions for preparing an Offer are included in this solicitation.

With seventy-two (72) hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests must be addressed to the Solicitation contact person named below.

OFFERORS ARE STRONGLY ENCOURAGED TO READ THE ENTIRE SOLICITATION CAREFULLY.

Solicitation Contact:

Kailee Gray
Procurement Officer
Arizona Department of Health Services
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Phone: (480) 392-4154



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1. BACKGROUND

1.1. HANDS Consortium Overview

The Arizona Department of Health Services (ADHS) Bureau of Nutrition and Physical Activity (BNPA) includes the Arizona Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program. ADHS BNPA requires a Contractor to provide the Arizona WIC Program and other members of the Health and Nutrition Delivery System (HANDS) Consortium (American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), District of Columbia (DC), Guam, and Navajo Nation WIC Programs) with HANDS 2.0 maintenance and operations support. More than 650 State and clinic staff within the HANDS Consortium utilize the HANDS 2.0 application to serve more than 175,000 participants on a monthly basis. The information in Table One (1) is an estimate of each of the Partner Agencies as of June 2025.

Partner Agency	Local Agencies	Clinics	Monthly Participants	Monthly Households	WIC Vendors
Arizona	21	117	145,000	92,055	526
American Samoa	0	5	4,000	2,374	28
CNMI	0	3	2,600	1,729	15
District of Columbia	4	16	12,600	8,365	51
Guam	0	4	6,500	3,813	28
Navajo Nation	0	12	4,300	2,790	49
Total	25	157	175,000	115,429	697

1.2. HANDS 2.0, Participant Portal and Vendor Web Overview

1.2.1. HANDS 2.0 is the eligibility and data management system for the WIC and the Farmers' Market Nutrition Program (FMNP). As of October 1, 2019, ADHS does not utilize FMNP or Commodity Supplemental Food Program (CSFP) modules. DC and Guam have FMNP but do not currently use the HANDS 2.0 functionality to provide benefits for FMNP. There is interest in updating the FMNP and CSFP modules in the future, depending on program funding. Each of the Consortium members within the HANDS Consortium will have its own HANDS 2.0 software application, and each HANDS 2.0 software application will operate on the same version.

1.2.2. ADHS issues WIC food benefits using online WIC electronic benefit transfer (EBT) technology with a magnetic stripe card and PIN. ADHS is currently contracting with Custom Data Processing (CDP) to provide the WIC Direct EBT System and provide transaction processing and support services for EBT transactions. HANDS 2.0 currently interfaces with WIC Direct using the 2020.1 Universal Interface. The HANDS 2.0 to WIC Direct interface documentation is accessible at <https://azdhs.gov/prevention/azwic/agencies/index.php#hands>.

1.3. Architecture

1.3.1. HANDS 2.0 is a three (3) tiered Web Application implemented using the Microsoft Model-View-Controller (MVC) framework in conjunction with a domain driven design and an Oracle database. HANDS 2.0 is hosted in the Amazon Web Services (AWS) West Commercial Cloud with backup hosted in the AWS East Commercial Cloud. The technology stack is primarily comprised of .NET Core 8.0, Bootstrap 4, AWS virtual servers, Redis caching, DevArt Oracle Data Provider and Oracle 19c database. ADHS plans to upgrade the Oracle 19c database as it will be end of life in April 2027. HANDS 2.0 is designed to operate efficiently with Google Chrome and Microsoft Edge Browsers. HANDS 2.0 uses Topaz SigPlus software to operate the signature pads, Epson Perfection (V30, V37, and V39) scanner and drivers to operate scanners, and Core Interop drivers to operate the Verifone VX 805 PIN pads.



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- 1.3.2. The Participant Portal is a web application built using Angular version 14.2.5. The Participant Portal is integrated with Google and Facebook third-party authentications via Facebook or Google using their respective Application Programming Interfaces (APIs). The Portal also connects with the HANDS 2.0 system through a set of internal APIs. This allows the two (2) applications to share data seamlessly.
- 1.3.3. Vendor Web is a web application built using the ASP.NET MVC architectural pattern on the server side and Knockout Javascript on the client side. Vendor Web runs on the .NET Framework 4.8 and Knockout.js 3.2.0. The MVC structure separates business logic (Models), user interface (Views), and input control (Controllers), which promote organized and maintainable code. HANDS 2.0 communicates to Vendor Web through a set of internal APIs, allowing for seamless data sharing between.

1.4. Operational Status

HANDS 2.0 and the Participant Portal are fully operational in the six (6) agencies represented by the HANDS Consortium consisting of Arizona, American Samoa, CNMI, DC, Guam, and Navajo Nation. Currently, Vendor Web is utilized by only Arizona WIC. American Samoa, CNMI, DC, Guam and Navajo Nation may implement Vendor Web in the future. Daily operations and support continue to be managed by ADHS WIC IT team and the Contractor. The Contractor provides first (1st) level help desk, hereinafter known as the WIC Service Desk, support for any application or clinic operational issues, clarifications, or questions related to HANDS 2.0. The Contractor provides second-level technical WIC Service Desk support for support items routed to the Contractor for Development. Additionally, the Contractor monitors the end-of-day process to ensure that data is processed successfully for the continued operations of HANDS 2.0 providing mandatory caseload and financial reporting.

1.5. HANDS 2.0 Features

- 1.5.1. HANDS 2.0, Participant Portal and Vendor Web includes functionality related to the following areas as outlined in Business Requirement Documents (BRD), associated Change Requests, Requirement Clarifications and Detail Functional Design Documents (DFDD):
- 1.5.1.1. General System Requirements.
 - 1.5.1.2. Immunization.
 - 1.5.1.3. Appointment Scheduler.
 - 1.5.1.4. Breastfeeding.
 - 1.5.1.5. Certification and Enrollment.
 - 1.5.1.6. Food Package – Local Agency.
 - 1.5.1.7. Food Package – State.
 - 1.5.1.8. Nutrition Education.
 - 1.5.1.9. Operation Management.
 - 1.5.1.10. Program Integrity – Clinic.
 - 1.5.1.11. Program Integrity – Vendor.
 - 1.5.1.12. System Administration.



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- 1.5.1.13. Standard Reports.
 - 1.5.1.14. Vendor Management.
 - 1.5.1.15. Farmers Market.
 - 1.5.1.16. Commodity Supplemental Food Program (CSFP).
 - 1.5.1.17. Local Agency Profile.
 - 1.5.1.18. Rebates.
 - 1.5.1.19. Caseload.
 - 1.5.1.20. Food & Nutrition Service (FNS)-798.
 - 1.5.1.21. Grants and Cash flow.
 - 1.5.1.22. Mongo Database.
 - 1.5.1.23. Vendor Web.
 - 1.5.1.24. Participant Portal.
 - 1.5.1.25. Competitive Price Analysis
- 1.5.2. All HANDS 2.0, Vendor Web, and Participant Portal DFDDs are posted online at <https://azdhs.gov/prevention/azwic/agencies/index.php#hands>. HANDS 2.0 Documentation will be updated regularly and includes, but is not limited to, functionality listed in section 1.5.1.

2. Objective

To provide the ongoing technical support for management, operations and maintenance of the existing HANDS 2.0, Vendor Web, and Participant Portal systems. Going forward, all references to HANDS 2.0 in the Scope of Work (SOW) will include HANDS 2.0, Vendor Web and Participant Portal.

3. Scope of Work

Provide maintenance and operations support for the HANDS Consortium while coordinating with the Arizona WIC Program who leads the HANDS Consortium. Ensure the components of HANDS 2.0 are kept up to date and that the Software Design Life Cycle processes set in place by ADHS are adhered to by the contractor's staff.

4. REQUIREMENTS

The Contractor shall:

4.1. Computer Equipment

- 4.1.1. Provide computers for the team supporting HANDS 2.0.
- 4.1.2. Access the ADHS network from within the United States. Accessing the ADHS network from outside of the United States is prohibited.
- 4.1.3. Allow ADHS to scan computers on the ADHS network for viruses.



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- 4.2. Ensure team members assigned to this project are highly qualified, dedicated and skilled with a minimum of three (3) to five (5) years' experience in WIC, HANDS 2.0 or similar MIS Implementation or maintenance projects, Microsoft.NET, and Oracle database.
- 4.3. Comply with all of the applicable Arizona Statewide IT policies (<https://aset.az.gov/resources/psp>).
- 4.4. Comply with all Arizona Homeland Security policies (<https://azdohs.gov/information-security-policies-standards-and-procedures>).
- 4.5. Have at least two (2) years of WIC MIS or other USDA federal assistance program experience providing implementation services within the last three (3) years.

5. TASKS

The Contractor shall:

5.1 Project Initiation

- 5.1.1. Convene a project initiation meeting within ten (10) days of Contract award. The project initiation meeting shall be in-person or virtual, as determined by ADHS following contract award. The Contractor's Project Manager and other key Contractor staff shall attend the meeting, as deemed necessary by the ADHS. The purpose of the meeting is to establish expectations; contract deliverables, review the Contractor Project Plan, including schedule and deliverables, and discuss the management of the HANDS 2.0 maintenance and operations.

5.2 HANDS 2.0 Maintenance Management:

- 5.2.1. Provide maintenance management for HANDS 2.0 by providing all product or software updates which include new features, bug fixes, component updates, security fixes, and enhancements.
- 5.2.2. Ensure HANDS 2.0 maintains its functionality and stays applicable when compared to emerging technology, clinic operational model, or participant services.
- 5.2.3. Ensure the HANDS 2.0 architecture and application code are managed to ensure that the application, while it is backward compatible, does not fall behind on technology or functionality that would result in the application's life cycle coming to a premature end.
- 5.2.4. HANDS 2.0 Release Management Planning:
 - 5.2.4.1. Collaborate with ADHS for software changes, manage changes through ADHS ADO, and submit change request for major, complex, and or exceeding forty (40) hours of development effort.
 - 5.2.4.2. Collaborate with ADHS to plan release dates based on the number of items to be completed from the product backlog and new planned features. This will enable every directly affected stakeholder to plan for the release, as the release may entail new policy or procedural changes, training, and data preparation.
 - 5.2.4.3. Release a minimum of two (2) major versions of HANDS 2.0 on an annual basis as agreed upon with ADHS. The releases shall include the following features, feature corrections, or enhancements:
 - 5.2.4.3.1. Fixes or changes to already implemented features based on production operations.



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- 5.2.4.3.2. Fixes to software (User Interface, Business process, and Stored Procedure) for bugs or issues identified in production operations. This also includes current identified issues or bugs as documented in ADO.
- 5.2.4.3.3. Provide enhancement activities - system enhancements that include changes to HANDS 2.0 to accommodate or meet the requirement.
- 5.2.4.3.4. Security fixes.
- 5.2.4.3.5. System component upgrades.
- 5.2.4.3.6. Align data and data structures as it is relevant to HANDS 2.0 operations.
- 5.2.4.3.7. Complete pending functionality development on Waitlist Management.
- 5.2.5. Requirements Management
 - 5.2.5.1. Ensure the development methodology follows the iterative and incremental development approach, each iteration will begin with analysis and design with its own set of approved or agreed requirements. Utilize the approach with the use of Joint Analysis and Design (JAD) sessions where requirements analysis, story boards, and 'design mock ups' or wireframes are presented to ADHS to document intended functionality of a new feature or enhancement feature. The output of the requirement or design sessions with ADHS will be documented with clear decisions and action items. During each JAD or requirement session, the Contractor shall work with ADHS to gain clarification of requirements, capture input on design and document design decisions through the use of meeting notes. Notes are used to prepare the use cases or BRD or update DFDD which will be used during the iteration development step. Development and unit testing are based upon the documented requirements. The Contractor shall update documentation at the conclusion of each iteration.
 - 5.2.5.2. Align the documentation to be solution documentation that is comprised of features, functions, and characteristics of the functionality or feature. System requirements are written at different levels of detail and are associated with different types of requirements, for example, business, transition, or reports. The solution documentation may be rendered in any number of forms. Some of the forms include:
 - 5.2.5.2.1. BRD.
 - 5.2.5.2.2. Uses Cases.
 - 5.2.5.2.3. List of product backlog.
 - 5.2.5.2.4. Coordinate with ADHS the requirement management process in place for the HANDS 2.0 development for any clarification on existing HANDS 2.0 functionality.
 - 5.2.5.3. The purpose of BRDs or use cases is to define the new, modified, or enhanced functionality or process with consideration given to WIC regulations, Arizona WIC policy, processing related to Value Enhanced Nutrition Assessment (VENA), Participant Centered Services (PCS), and the most recent USDA requirements. The BRDs and other associated requirements are not meant to include in-depth programming language, code, or queries. In addition, the newly developed BRD, use cases, or change requests are not meant to document the complete set of requirements for HANDS 2.0. Requirements or functionality of HANDS 2.0 will be



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maintained in the DFDD.

5.2.5.4. The list of product backlog will be maintained and managed within ADHS ADO.

5.2.6. Development Phase

5.2.6.1. Review the product backlog, issue list, approved enhancement, ADHS prioritization, and any open change orders to determine the scope and schedule of one (1) or more sprints. Once a sprint plan is finalized, the Contractor shall publish the sprint plan to the development team. During the sprint cycle, the Contractor shall continue the agile process for development per the ADHS ADO process document. The complete SDLC process shall be managed in ADHS ADO. Technical Leads, in consultation with the Managers, shall guide the development process. Requirement documents, along with the product documentation and product code, shall be used during development.

5.2.6.2. The Quality Assurance (QA) team shall create new test scripts and/or update existing test scripts based on the work items defined in the sprint plan.

5.2.6.3. Ensure that developers have completed unit testing and that the feature implemented is complete. Based on the scope and complexity of the feature implemented, a developer may review the design with the team and demonstrate the completed functionality. The demonstration shall be completed prior to the release of the software to QA. A technical lead or developer shall review the code and approve the check-in of code.

5.2.6.4. Ensure that the individual's status on assigned tasks is monitored by the Operations Manager through monitoring work in ADO, direct conversation, or in stand-up meetings. The Contractor's internal process may involve more than one (1) release to the QA site prior to the final production release candidate. Such releases are coordinated by the Contractor depending on the number of items to be completed.

5.2.6.5. Manage requirements during this period through the established procedures. Any changes to the agreed upon requirements will be documented and provided for acceptance prior to a change in code, screen, functionality, feature, or database process.

5.2.7. QA Testing

5.2.7.1. Ensure that after a new version of software is released for QA, QA analysts shall begin targeted and methodical testing. Targeted testing includes testing for new features or enhancements and testing the fixes related to individual ADHS ADO items. Methodical testing follows the testing as described in the QA section of this Contract. The QA analysts shall conduct a formal regression testing that validates that major components of the application are still functional and no functionality has degraded. The QA analysts shall reject a development release if there is any critical functionality degradation. The QA analysts shall also reject bug fixes that do not have the assurance that it has been unit tested and with the explicit note how the fix was implemented. For reports, The QA analysts shall require a sample report with data from development to prove that the issue has been fixed.

5.2.7.2. Ensure that the business analyst creates release documentation associated with any pending production release during QA activities.

5.2.7.3. Use ADHS ADO to manage system exceptions identified during the QA process and ADHS User Acceptance Training (UAT) review process. Exceptions shall be checked to ensure that it conforms to the documented requirements when it relates to the



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scope of the functionality implemented. Any discrepancy related to requirements shall be transferred to the requirement management process.

5.2.7.4. The Arizona WIC Program will have the option to manage the two (2) QA Analysts (referenced in SOW section 5.3.1.3) and provide direction in daily testing activities.

5.2.8. UAT Release and Support:

5.2.8.1. Following an internal agreement to release the software for UAT, the Contractor shall provide ADHS with the build details including code change, database change, windows services changes, end of day services, etc. ADHS will release the software to the web servers, install any database scripts, and any additional changes.

5.2.8.2. Support ADHS during smoke test of the UAT build. ADHS will validate the release using specific scenarios as listed below to ensure that the release is stable and is ready for UAT.

5.2.8.3. Provide release notes to ADHS a minimum of one (1) week prior to delivering the software release to the ADHS QA team for UAT. The Contractor shall provide a technical version for higher-level users and a non-technical version for end users.

5.2.9. Production Testing

5.2.9.1. Attend Pre-Release Meeting. ADHS will prepare a pre-release checklist that details the tasks and responsibilities.

5.2.9.2. The Contractor shall provide on-call support during the production release if the ADHS team encounters any issues.

5.2.9.3. The Contractor shall notify ADHS immediately if there are any operational issues found in the application. The Contractor shall work with ADHS to identify mitigation strategies and support the WIC Service Desk as needed.

5.2.10. Production Release Documentation

5.2.10.1. The Contractor shall provide ADHS with an updated DFDD to include new or updated product features a minimum of one (1) week prior to production release.

5.2.10.2. The Contractor shall provide ADHS with updated State/Clinic level User Manuals one (1) week after each production release or at a frequency determined agreed upon by the Contractor and ADHS.

5.2.10.3. The Contractor shall update the HANDS 2.0 "Help" documentation a minimum of one (1) week prior to production release and have it approved by ADHS. The HANDS 2.0 "Help" documentation provides instructions for each module with screenshots and is contained within the HANDS 2.0. The HANDS 2.0 "Help" screens shall be updated with the release.

5.2.10.4. The Contractor shall update the data dictionary a minimum of one (1) week prior to the production release.

5.2.11. Change Management

5.2.11.1. The Change Control document will be finalized by ADHS and the Contractor following contract award.



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5.2.11.2. The Contractor shall prepare all HANDS 2.0 change requests and document the system and stakeholder impacts. The change request shall include the total analysis, development, and testing hours estimate and cost.

5.2.11.3. Change requests that utilize staff currently included within this contract shall be zero (0) cost. Change requests that utilize resources above and beyond what is required for this contract may include an additional cost, and will need to be approved by the ADHS change control board.

5.2.12. Project Management Coordination

5.2.12.1. The Contractor shall collaborate with ADHS and share information by attending the following meetings:

5.2.12.1.1. Attend weekly project manager's meeting.

5.2.12.1.2. Attend quality assurance meetings as requested by ADHS MIS QA.

5.2.12.1.3. Attend risk management meetings.

5.2.12.1.4. Attend requirement or design meetings as requested by ADHS.

5.2.12.1.5. Attend technical status or review meetings.

5.3 HANDS 2.0 Operations Management:

5.3.1 Provide the following resources, which will work remotely:

5.3.1.1. One (1) Operations Manager

5.3.1.1.1. Oversee the success of the operations of HANDS 2.0 as it assists ADHS to provide continuous operations to WIC clients. The Operations Manager shall have at least two (2) years of WIC MIS or WIC EBT experience, or similar experience within the last five (5) years. The Operations Manager shall have a Project Management Professional (PMP) certification or has attended project management training about the standards and practices of project management as defined by the Project Management Institute. The development and technical support activities shall be managed by the Operations Manager. The Operations Manager shall be responsible for software work products and the coordination of technical components and installation between the Contractor and ADHS.

5.3.1.1.2. Responsible for the following, but not limited to

5.3.1.1.2.1. Interact with ADHS Project Manager(s) for the purpose of coordination, status reporting, and budgeting.

5.3.1.1.2.2. Manage the Contractor's risks including HANDS 2.0, Participant Portal and Vendor Web applications technical risks.

5.3.1.1.2.3. Advise ADHS Project Manager(s) on risks and risk mitigation.



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- 5.3.1.1.2.4. Advise ADHS Project Manager(s) of changes in work direction.
- 5.3.1.1.2.5. Coordinate and plan the Contractor's team activities utilizing ADHS Project Manager's input.
- 5.3.1.1.2.6. Manage Project Reporting.
- 5.3.1.1.2.7. Work with ADHS Project Manager(s) towards planning and strategies.
- 5.3.1.1.2.8. Communicate with ADHS Project Manager(s) and designated ADHS personnel.
- 5.3.1.1.2.9. Plan and conduct project meetings, including requirements meetings, evaluation sessions, and design and analysis sessions.
- 5.3.1.1.2.10. Coordinate review and signoff of deliverables.
- 5.3.1.1.2.11. Act as single point of contact for all Contractor issues.
- 5.3.1.1.2.12. Review approved business requirements and identifying strategy for technical architecture and requirement evaluation.
- 5.3.1.1.2.13. Identify best business practices for best solution models.
- 5.3.1.1.2.14. Assist project team members.
- 5.3.1.1.2.15. Ensure that the project is adequately staffed to meet expectations.

5.3.1.2. One (1) Business Analyst

5.3.1.2.1. Responsible for the following, but not limited to:

- 5.3.1.2.1.1. Manage the requirement clarification process as defined in the project and agreed by ADHS.
- 5.3.1.2.1.2. Publish meeting minutes from sessions.
- 5.3.1.2.1.3. Identify risk and suggest plans to mitigate risks.
- 5.3.1.2.1.4. Lead, conduct, and facilitates joint application design or user sessions to elicit and confirm requirements.
- 5.3.1.2.1.5. Gather business requirements through a variety of techniques such as work sessions and interviews.
- 5.3.1.2.1.6. Communicate these requirements to appropriate stakeholders, including customers and development staff.



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- 5.3.1.2.1.7. Provide input into developing and modifying systems to meet ADHS needs.
- 5.3.1.2.1.8. Coordinates and facilitates meetings with ADHS to gather and document requirements and explore potential solutions.
- 5.3.1.2.1.9. Participate in requirement and analysis and design sessions.
- 5.3.1.2.1.10. Conduct & participate in design review sessions.
- 5.3.1.2.1.11. Develop documentation and maintain project documentation up-to-date based on release notes.
- 5.3.1.2.1.12. Publish release notes.
- 5.3.1.2.1.13. Consolidate, document, and publish implementation details that are not documented in the project.
- 5.3.1.2.1.14. Document functional requirements, operational and training manuals.
- 5.3.1.2.1.15. Train users of application or new software releases.
- 5.3.1.2.1.16. Assist users or trainers during training.
- 5.3.1.3. Two (2) Quality Assurance Analysts
 - 5.3.1.3.1. Responsible for the following, but not limited to:
 - 5.3.1.3.1.1. Participate in requirement and analysis and design sessions.
 - 5.3.1.3.1.2. Work with the project team to identify data requirements.
 - 5.3.1.3.1.3. Create Test Plan and test cases for validation of common and exception processing and user scenarios and enter into ADHS ADO repository.
 - 5.3.1.3.1.4. Validate the software to verify that requirements are complete and functions as expected.
 - 5.3.1.3.1.5. Test the application for conformance to requirements.
 - 5.3.1.3.1.6. Run test plan and test cases and create bugs in the ADHS ADO.
 - 5.3.1.3.1.7. Provide Level II WIC Service Desk support as needed.
 - 5.3.1.3.1.8. Train users of application or new software releases.
 - 5.3.1.3.1.9. Assist users or trainers during training.



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5.3.1.4. Three (3) Developers

5.3.1.4.1. Responsible for the following, but not limited to:

- 5.3.1.4.1.1. Conduct user requirement or design sessions as needed.
- 5.3.1.4.1.2. Validate requirements, create wireframes, create development journals.
- 5.3.1.4.1.3. Identify and document re-engineering possibilities.
- 5.3.1.4.1.4. Suggest business process improvements.
- 5.3.1.4.1.5. Identify and document data requirements.
- 5.3.1.4.1.6. Develop technical documentation.
- 5.3.1.4.1.7. Ensure programs meet standards and technical specifications.
- 5.3.1.4.1.8. Code, test, debug, and implement software work products using Visual Studio (Microsoft.NET and Oracle).
- 5.3.1.4.1.9. Provide Level II WIC Service Desk support as needed.
- 5.3.1.4.1.10. Monitor End-of-Day reports for any corrections.
- 5.3.1.4.1.11. Monitor data processing for rebates, redemptions, caseload, and financial reporting as needed.

5.3.1.5. Three (3) Customer Service Representatives (CSRs)

5.3.1.5.1. Responsible for the following, but not limited to:

- 5.3.1.5.1.1. Provide excellent first (1st) level customer support to the State, Local, or Clinic WIC personnel that require program or technical support with the WIC applications including: HANDS 2.0, Vendor Web, Participant Portal, Universal Product Code (UPC), EzWIC, Complaint Tracking, and Clinic Search.
- 5.3.1.5.1.2. Provide excellent first (1st) level customer support to WIC participants that call the WIC Shoppers Helpline to get assistance with shopping with their eWIC card.
- 5.3.1.5.1.3. Create and manage tickets in the Contractor provided ticketing application.
- 5.3.1.5.1.4. Follow ADHS defined processes for documenting and managing WIC Service Desk tickets.



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5.3.1.5.1.5. Maintain ninety-five percent (95%) or greater adherence to all ADHS Service Level Agreements for customer service.

5.3.2. Provide a best value team that has the technical expertise to understand ADHS requirements with the following capabilities:

5.3.2.1. Understand ADHS and HANDS Consortium both in program and IT needs.

5.3.2.2. Understand business issues and vision as ADHS moves forward with its operational improvements and enhancements of service delivery of HANDS 2.0.

5.3.2.3. Experience implementing WIC systems of similar size and complexity.

5.3.2.4. An experienced project team with the expertise to deliver projects.

5.3.2.5. Experience with WIC, .NET, Oracle and other technologies used by WIC.

5.3.2.6. Proven methodology, tools, and techniques that provide structure and discipline, increasing team efficiency.

5.3.2.7. Development approaches that can be tailored to the specific needs of each individual project.

5.3.3. Provide resources required to provide maintenance, enhancement, operation, and WIC Service Desk support of the HANDS 2.0 system with skilled management, development, documentation, and support resources.

5.3.4. Provide resources with skills in Microsoft .NET, jQuery, MVC, PL/SQL, Oracle database, WIC, MIS and WIC EBT.

5.3.5. Allow ADHS to review resumes, interview, and approve any resources provided prior to hire or reassignment.

5.3.6. Each resource in SOW section 5.3.1. shall provide forty (40) hours of work per week.

5.3.7. Resources in SOW section 5.3.1. that are lost due to turnover shall not be vacant for more than thirty (30) days.

5.3.8. All references to developers, business analysts, quality assurance analysts, and resource manager within this SOW are the Contractor's resources unless referenced specifically as ADHS resources.

5.3.9. Support network, hardware, database, and technical and application software as required for preventive and adaptive maintenance to ensure business continuity. Business continuity refers to the ability to continue key operations without stoppage, regardless of adverse circumstances or events. These may include Windows configuration or components update, builds scripts definition or update, software modifications required to maintain the continuous operations of HANDS 2.0, data conversions or data corrections, one-time data loads, run time improvements, performance upgrades through software code fixes, database or SQL tuning, or server or system software configuration.

5.4 Software Development Life Cycle (SDLC) Methodology:

5.4.1. Development



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- 5.4.1.1. Use the agile development methodology with phased releases of HANDS 2.0. These releases shall be integrated with new functionality, enhancements to existing functionality, and feature corrections. Iterative development is an approach to software development which centers on the idea of moving development cyclically, rather than trying to do entire features at once. Iterations offer a sampling of the key aspects of the problem and provide a solution that is simple enough to understand and implement easily. Incremental development slices the system functionality into processes or features. In each increment, a slice of functionality is delivered through cross-discipline work, from requirements to deployment. Each iteration or sprint shall last two (2) to four (4) weeks. Each iteration or sprint involves a team working through a full software development cycle, including planning, requirements analysis, design, coding, unit testing, and quality assurance testing when a working set of features is completed.
- 5.4.1.2. Each Iteration or Sprint:
- 5.4.1.2.1. Iteration Planning – Perform refinement cycles consistent with an iterative process. Each refinement process shall conduct another Iteration Planning meeting to plan the remaining iterations. Iteration planning meetings will address the following:
- 5.4.1.2.1.1. Review achievements of past iterations.
- 5.4.1.2.1.2. Identify remaining requirements to be completed based on product backlog and ADO items.
- 5.4.1.2.1.3. Review the planned requirements to be addressed in the present iteration.
- 5.4.1.2.1.4. Assign team to perform requirement analysis in preparation for the iteration design.
- 5.4.1.2.1.5. Decide on whether the current plan should change based on past iteration performance.
- 5.4.1.2.1.6. Modify the iteration plan (if applicable).
- 5.4.1.2.1.7. Finalization of the modified iteration plan (if applicable).
- 5.4.1.2.1.8. Enter all user stories and tasks into ADO including descriptions, links, attachments, estimated hours, and remaining hours.
- 5.4.1.2.2. Iteration Kick Off Meeting – Conducted as a launch point into the next iteration or start of an iteration. This meeting shall be led by the Operations Manager and the developers. The meeting will be attended by key resources such as the business analyst, developers, and quality Assurance Analysts. ADHS may choose to attend this meeting. The kick-off meeting shall:
- 5.4.1.2.2.1. Focus the team on the requirements of the current iteration.
- 5.4.1.2.2.2. Identify what screens, workflows, or functions will be modeled by reviewing HANDS 2.0, Detail Functional



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Design Document, and any Supporting Requirement Documents.

- 5.4.1.2.2.3. Review the iteration plan.
- 5.4.1.2.2.4. Remind team of established standards to be followed.
- 5.4.1.2.2.5. Present the iteration's schedule and milestones.
- 5.4.1.2.2.6. Review the estimated time to complete based on progress of the project and current plan.

5.4.1.2.3. Iteration Execution

- 5.4.1.2.3.1. Each iteration shall cover identified aspects of multiple modules, establishing a strong foundation, as the HANDS 2.0 design and development progresses.
- 5.4.1.2.3.2. During the execution phase, the technical team leads shall conduct daily scrums and as needed design sessions to determine best solution and guide the developers. Additionally, the team leads shall meet with the managers to communicate any issues, risks, or challenges during the execution process so that hurdles are mitigated without an extended impact on the project. The team leads shall have the ownership to complete the features targeted for the iteration. The development process shall be completed after the developer attests that he or she has completed the unit testing and checked the code into the ADO.
- 5.4.1.2.3.3. During the execution phase, the QA team shall test the previous development release and document any discrepancies with documented requirements or system exceptions in ADO. The system exceptions shall be prioritized for implementation in subsequent releases. The QA team shall also update the test scripts based on any decisions made during the scrum or design meetings.
- 5.4.1.2.3.4. As noted, iterate on shall be scheduled two (2) – four (4) weeks depending on the scope and schedule of the planned iteration. Each iteration shall have its own design, development, testing, and documentation activities managing to the scope and goals of the pending release. Each iteration's outcome would be a release. A major release shall include several iterations grouping output from more than one (1) minor release. Releases to for UAT shall be coordinated through the major release schedule cycle.
- 5.4.1.2.3.5. Documentation is a continuous process ending with the update of DFDD and the creation of release notes.



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5.4.2. Quality Assurance

- 5.4.2.1. Follow the agile methods used for development, by adjusting to ADHS needs with full transparency and effective communication among the SDLC teams.
- 5.4.2.2. Participate in HANDS 2.0 requirements and design sessions.
- 5.4.2.3. Create test cases from the user perspective, defining negative, alternative, and exception scenarios, and identifying potential flow exceptions or gaps.
- 5.4.2.4. Regression test the final build prior to authorizing a release for User Acceptance Testing.
- 5.4.2.5. Quality Control Methodology
 - 5.4.2.5.1. Ensure that Quality Control consists of setting standards and testing are being met. When a final build is released into the QA environment, the Contractor shall perform an initial smoke and sanity test. This test provides quick feedback on the stability of the system. Once a smoke test has passed successfully the Contractor practice uses a variety of methods for testing including black box testing which includes boundary testing, cause/effect testing, fuzz testing, and comparison testing. The white box testing performed includes path testing, loop testing and control structure testing.
 - 5.4.2.5.2. Ensure that the following four (4) levels are covered in the QA process:
 - 5.4.2.5.2.1. Unit Testing.
 - 5.4.2.5.2.2. Integration Testing.
 - 5.4.2.5.2.3. Component Interface Testing.
 - 5.4.2.5.2.4. System Testing.
 - 5.4.2.5.3. Maintain and utilize repository of test cases that include but are not limited to unit, functional, integration, scenario tests in ADHS ADO. These scripts shall be maintained in a Master Test Plan and updated by the QA staff based on BRDs, requirements updates, enhancements, and design implementations. The updating process is initiated in several manners including a change request, clarification, or a bug.
 - 5.4.2.5.4. Once a build has been deemed acceptable for testing based on the smoke test the QA team shall begin their methodological approach to validating and ensuring no degrade in the HANDS 2.0 product. This process includes creating a new test plan in the Microsoft Test Manager. All test cases that pertain to the release shall be copied from the master test plan and placed into the new test plan. All test cases will be run and failures shall be documented in ADO as a bug that is sent to development for resolution. After defects have been resolved the test case is run again to ensure completeness.
 - 5.4.2.5.5. After the full testing cycle has been completed, the Contractor's team shall review the listing of defects to evaluate the quality of the product using the priority/severity agreement between ADHS and the



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Contractor. A final end-to-end testing shall be completed and the QA Manager certifies the build to be released to ADHS for UAT.

5.5 Software Configuration Management:

5.5.1. Ensure that the software configuration is managed to ADHS requirements.

5.5.1.1. Source and Code Structure:

5.5.1.1.1. The source code control and versioning software used for this project is Microsoft's Azure DevOps 2019 or newer. Both Source Code and Database structure scripts are stored in ADO with each having its own respective area. ADHS reserves the right to upgrade to newer version of the software in coordination with the Contractor.

5.5.1.2. Environments:

5.5.1.2.1. Manage the migration of the HANDS 2.0 application through the various software environments. There are five (5) main software environments. These are Development, QA, User Acceptance (UAT), Training, and Production. Each of these environments has its own virtual server, database, software, etc. along with other individual environmental components.

5.5.1.2.2. The HANDS 2.0 environments include:

- 5.5.1.2.2.1. Development.
- 5.5.1.2.2.2. Quality Assurance.
- 5.5.1.2.2.3. User Accept Test.
- 5.5.1.2.2.4. Arizona Training.
- 5.5.1.2.2.5. American Samoa Training.
- 5.5.1.2.2.6. CNMI Training.
- 5.5.1.2.2.7. DC Training.
- 5.5.1.2.2.8. Guam Training.
- 5.5.1.2.2.9. Navajo Nation Training.
- 5.5.1.2.2.10. Arizona Production.
- 5.5.1.2.2.11. American Samoa Production.
- 5.5.1.2.2.12. CNMI Production.
- 5.5.1.2.2.13. DC Production.
- 5.5.1.2.2.14. Guam Production.
- 5.5.1.2.2.15. Navajo Nation Production.



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5.5.1.2.3. The Participant Portal environments include:

- 5.5.1.2.3.1. Development.
- 5.5.1.2.3.2. Quality Assurance.
- 5.5.1.2.3.3. User Accept Test.
- 5.5.1.2.3.4. Arizona Production.
- 5.5.1.2.3.5. American Samoa Production.
- 5.5.1.2.3.6. CNMI Production.
- 5.5.1.2.3.7. DC Production.
- 5.5.1.2.3.8. Guam Production.
- 5.5.1.2.3.9. Navajo Nation Production.

5.5.1.2.4. The Vendor Web environments include:

- 5.5.1.2.4.1. Development.
- 5.5.1.2.4.2. Quality Assurance.
- 5.5.1.2.4.3. User Accept Test.
- 5.5.1.2.4.4. Arizona Production.

5.5.1.2.5. The HANDS 2.0 application is migrated through several different stages and environments before going from development to production as shown below. There is a predetermined set of criteria that the system will need to meet before it is migrated from one (1) environment to another. These criteria include but is not limited to:

- 5.5.1.2.5.1. New features.
- 5.5.1.2.5.2. Rework/redesign.
- 5.5.1.2.5.3. Test case results.

5.5.1.3. Development:

5.5.1.3.1. Have the Development team access the source code repository (ADHS ADO) and to edit the code to accomplish new features and bug fixes in accordance with assigned work. Each developer has a development environment locally that can accomplish the full feature set of HANDS 2.0. Code files are automatically checked out of ADO and checked back in as work is complete using Microsoft's Visual Studio 2022 or newer. ADHS reserves the right to upgrade to newer version of the software in coordination with the Contractor.

5.5.1.3.2. These checked-out files live on each developer's workstations. Any hardware peripherals (scanners, signature pads, printers, etc.) are also used in conjunction with a developer's setup. A development



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Oracle database is also used. Optionally, developers may also have a local Oracle instance that they use to accomplish software development.

- 5.5.1.3.3. A Build Server manages nightly builds to a HANDS 2.0 development site. This ensures that code checked in each day is compatible with the whole code base and no one's code check-in breaks the site.

5.6 Planned Maintenance

- 5.6.1. Ensure that the following tasks are implemented in order for the HANDS 2.0 application and its processes (EOD, SMS, etc.) continue to function optimally. These tasks shall be coordinated with ADHS and implemented:
 - 5.6.1.1. Maintain a current or an ADHS and Contractor agreed upon version of the DevArt dotConnect utility for its primary database connections.
 - 5.6.1.2. Review HANDS 2.0 architecture and code base for performance improvements. Performance optimization is a continuous process based upon a cycle of observation, identification, and correction.
- 5.6.2. The Contractor shall maintain the HANDS 2.0 interface with the EBT System to meet the ADHS approved version of the WIC Universal MIS to EBT Interface (WUMEI). The WUMEI is available at <https://www.fns.usda.gov/wic/ebt>.

5.7 Documentation Management:

- 5.7.1. The Contractor shall use ADHS SharePoint to manage documentation in the project. The types of documentation include, but not limited to: BRDs, Change Requests, DFDDs, DTSD, Data Dictionary, User Manuals.

5.8 Application Operations Support:

- 5.8.1. Review the Internet Information Services (IIS) logs, database logs, MongoDB, Redis and any other logs for any performance degradation or application or infrastructure issues.
- 5.8.2. Implement code changes or application or infrastructure settings changes to ensure optimal performance and quality of the application.
- 5.8.3. Perform an initial investigation, impact assessment, and determine the urgency of the request, code issue, or application behavior concern and report to ADHS to allow for a decision determining the appropriate course of action while a remedial solution or temporary work-around is implemented while a permanent solution is implemented.
- 5.8.4. Provide adaptive and preventive maintenance activities that are required due to technical changes to system components such as upgrades or patches to application server, operating system, system or infrastructure software or database.
- 5.8.5. Provide active security management to counter the increasing speed at which new exploits on web-based applications are devised to ensure that the HANDS 2.0 application architecture is up-to-date with current industry standards on security.
- 5.8.6. Fix all ADHS designated security issues discovered during annual HANDS 2.0 security assessment.



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5.8.7. Provide ADHS staff members with assistance in reporting data that is not available using the HANDS 2.0 reports and collaborate with ADHS staff member to determine the business requirements and the format required for the ad-hoc reports.

5.8.8. Review the data extracts generated from HANDS 2.0 use ad-hoc scripting to load the extract data into a database table; review the validity of the data based on the ADHS, CDC and FNS specifications; and advise ADHS of any changes to these extracts that may be necessary based on any new specifications.

5.9 Application Performance Operations Support:

5.9.1. Provide application performance support which includes but is not limited to the following factors: network efficiency, database efficiency, hardware capacity and application code efficiency.

5.9.2. To the extent performance issues are associated with the application code and data model the Contractor shall address the same as it is critical for the successful operations of HANDS 2.0. If the performance issues are due to other factors, the same shall be researched and addressed by ADHS. The Contractor shall evaluate performance improvements along with ADHS based on essential, conditional, and optional improvements based on their impact on overall and marginal performance gained through application, browser, bandwidth, and server capacity, functionality degradation due to regression impact, clinic operational requirements, project risk, and cost.

5.9.3. Participate in ADHS led HANDS 2.0 performance tests and assist in troubleshooting any identified issues.

5.10 End-of-Day (EOD) Operations Support:

The Contractor shall:

5.10.1. Ensure the end of day HANDS 2.0 processing is successfully processed.

5.10.2. Ensure the EOD processing is successfully processed daily by reviewing EOD logs from the previous night.

5.10.3. Monitor the EOD logs for the following production installation of HANDS 2.0:

5.10.3.1. Arizona.

5.10.3.2. American Samoa.

5.10.3.3. CNMI.

5.10.3.4. DC.

5.10.3.5. Guam.

5.10.3.6. Navajo Nation.

5.10.4. If the EOD jobs are not completed its execution as scheduled due to a system issue, collaborate with the ADHS to resolve the issue. If there is a data processing or code execution error, the Contractor shall determine the nature of the error and implement a solution as required. The EOD job stream is designed so that if it does not run on a particular day, it can be set to process the missed day's data using EOD control.

5.10.5. Assign a Developer to monitor End-of-Day in support of the daily maintenance of the HANDS 2.0 for the six (6) production environments. The Developer shall log in to each of the EOD servers for



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HANDS 2.0 partners, as needed, and review the log files, verify that the processes completed on all of the HANDS 2.0 databases, and verify that the EOD and EBT EOD processes were sent and retrieved. If the EOD process fails, then the Contractor shall notify ADHS by email about the failure. In cases where there is a problem with the EOD processes the following, the Contractor shall:

- 5.10.5.1. Resolve EOD issues, including but not limited to:
 - 5.10.5.1.1. Rerun Redemption or Caseload.
 - 5.10.5.1.2. Investigate discrepancies with Missing data.
 - 5.10.5.1.3. Rebuild the financial management tables.
 - 5.10.5.1.4. Rebuild the rebate tables and other caseload and financial-related tables.
- 5.10.5.2. Provide transaction monitoring to maintain data integrity:
 - 5.10.5.2.1. Ensure that the data is consistent across multiple sources of data.
 - 5.10.5.2.2. Atomicity – that the data is uniquely identified across systems that are needed to complete the full business process.
 - 5.10.5.2.3. Data Durability – The Contractor shall have process that provides accountability for the data so that the state of data is durable when updated for inconsistencies.
- 5.10.6. Monitor the following EOD processes for HANDS 2.0:
 - 5.10.6.1. Process category changes, termination, and appointments.
 - 5.10.6.2. Process to update participation based on current information.
 - 5.10.6.3. Appointment and expiring benefit reminders were sent.
 - 5.10.6.4. EBT EOD operations including:
 - 5.10.6.4.1. Review File Transfer Protocol (FTP) logs on the EOD server.
 - 5.10.6.4.2. Verify batch files were sent and received to and from the EBT contractor.
 - 5.10.6.4.3. Verify UPC Peer Group Average File was sent to the EBT System.
 - 5.10.6.4.4. Verify the EBT daily files were received from the EBT System.
 - 5.10.6.4.5. Review the EOD status report generated each morning.
 - 5.10.6.4.6. Verify that issued but not redeemed food benefits were obligated.
 - 5.10.6.4.7. Verify that the EBT daily files were loaded for processing.
 - 5.10.6.4.8. Verify Food benefits issued on the current processing date were loaded into the Issuance history table.



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- 5.10.6.4.9. Verify that paid Food issuance are marked as paid and the quantities are deducted as noted in the redemption EBT files.
- 5.10.6.4.10. Verify that Rebate Details are generated for rebate-able food categories.
- 5.10.6.4.11. Verify Daily Caseload details where generated for the current month for each clinic.
- 5.10.6.4.12. Verify that Automatic Client termination procedure was executed.
- 5.10.6.4.13. Verify the Automatic Category change procedure was executed.
- 5.10.6.5. Review the caseload data as needed at the beginning of each month.
 - 5.10.6.5.1. The Contractor shall use scripts that have been written to find any participants or enrollees that have been counted incorrectly or are missing from the caseload count using the caseload business rules as agreed by ADHS.
 - 5.10.6.5.2. In cases where the caseload counts have been found to be incorrect the Contractor shall research the cause and provide recommendations as to how the issues need to be corrected.
 - 5.10.6.5.3. The Contractor shall provide notification to ADHS and impacted state agency of any discrepancies, if found, to ensure that the state is able to run financial and caseload reports by the tenth (10th) of every month.
 - 5.10.6.5.4. Use scripts that have been written to find any participants or enrollees that have been counted incorrectly or are missing from the caseload count using the caseload business rules as agreed by ADHS.
 - 5.10.6.5.5. Research the cause and make recommendations as to how the issues need to be corrected in cases where the caseload counts have been found to be incorrect.
- 5.10.7. Validate all the financial data compiled during the EOD process for the previous three (3) months. The data stored in the obligations, outlays and rebate information will all be compared to the food benefits issuance and redemption data using queries and procedures. Additionally, the Contractor shall review the rebates generated to validate accuracy.
- 5.11 End-of-Day and End-of-Month Monitoring
 - 5.11.1. The Contractor shall monitor the following on EOD:
 - 5.11.1.1. Daily EOD EBT Review.
 - 5.11.1.2. Review FTP logs on the EOD server.
 - 5.11.1.3. Verify batch files were sent and received to and from the EBT System.
 - 5.11.1.4. Verify UPC Peer Group Average File was sent to the EBT System.
 - 5.11.1.5. Verify the EBT daily files were received from the EBT System.
 - 5.11.1.6. Review the EOD status report generated each morning.



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- 5.11.1.7. Verify that issued but not redeemed food benefits were obligated.
- 5.11.1.8. Verify that the EBT daily files were loaded for processing.
- 5.11.1.9. Verify food benefits issued on the current processing date were loaded into the Issuance history table.
- 5.11.1.10. Verify that paid food issuance is marked as paid and the quantities are deducted as noted in the redemption EBT files.
- 5.11.1.11. Verify that rebate details are generated for rebate-able food categories.
- 5.11.1.12. Verify Daily Caseload details where generated for the current month for each clinic.
- 5.11.1.13. Verify that Automatic Client termination procedure was executed.
- 5.11.1.14. Verify the Automatic Category change procedure was executed.
- 5.11.2. EBT End of Month Review shall include the following:
 - 5.11.2.1. Verify the food issuance paid in HANDS 2.0 match the food issuance paid by the EBT Contractor.
 - 5.11.2.2. Verify monthly caseload details were generated for each clinic.
 - 5.11.2.3. Verify the monthly budget records were updated in the budgets table for the prior month.
 - 5.11.2.4. Review the following reports every month by the sixth (6th) business day of the month, so that the HANDS 2.0 Consortium can use the data to prepare their federal reports. The report will include the following:
 - 5.11.2.4.1. Monthly Participation by Category and Priority.
 - 5.11.2.4.2. Rebate Invoice Summary.
 - 5.11.2.4.3. Gross Rebate Invoice.
 - 5.11.2.4.4. Rebate Divisibility.
 - 5.11.2.4.5. Monthly Expenditures Obligations.
 - 5.11.2.5. All HANDS 2.0, Vendor Web, and Participant Portal DFDDs are posted online at <https://azdhs.gov/prevention/azwic/agencies/index.php#hands>.
- 5.12 WIC Service Desk Operations:
 - 5.12.1. Provide Voice Over Internet Protocol (VOIP) phone system that supports functionality described in section 5.12.1.2.
 - 5.12.1.1. The VOIP phone system shall include system administration for Customer Service Representatives (CSR), administration of call queues, routing, and round robin options.



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- 5.12.1.2. The VOIP phone system shall include a dashboard with live metrics, including but not limited to:
 - 5.12.1.2.1. CSR idle time.
 - 5.12.1.2.2. CSR call time.
 - 5.12.1.2.3. Handled vs. abandoned.
 - 5.12.1.2.4. Inbound statistics.
 - 5.12.1.2.5. Agent status (e.g., active, logged in but not busy, not active).
 - 5.12.1.2.6. Average queue time.
 - 5.12.1.2.7. Maximum queue time.
 - 5.12.1.2.8. Voicemails in queue, in progress, and total.
- 5.12.2. Provide a WIC Service Desk Application to track all inbound issues which will allow reporting to representatives. The WIC Service Desk Application shall be a web based commercial-off-the-shelf product used to track, classify, and report on WIC Service Desk support requests. This web interface shall allow ADHS to submit new requests and provides real time visibility to the status of their existing requests. The support call tracking system allows for the electronic escalation of issues to appropriate members of the second (2nd) and third (3rd) level support teams. Specific escalation procedures can be defined for given users or functions within predetermined Service Level Agreements in the application.
 - 5.12.2.1. Ensure the WIC Service Desk Application allows tracking of all calls with the following information captured:
 - 5.12.2.1.1. A call reference number – this number is automatically generated once a ticket has been inserted into the application.
 - 5.12.2.1.2. Detailed description of the problem.
 - 5.12.2.1.3. Date and time submitted.
 - 5.12.2.1.4. Date and time closed.
 - 5.12.2.1.5. Case type – this identifies the type of call that is made to the WIC Service Desk, i.e., enhancement request, hardware problem, etc.
 - 5.12.2.2. Create a profile for each customer that contacts the center. This profile shall include:
 - 5.12.2.2.1. Name.
 - 5.12.2.2.2. Telephone number.
 - 5.12.2.2.3. E-mail (if applicable).
 - 5.12.2.2.4. Agency and clinic.
 - 5.12.2.2.5. The call level.
 - 5.12.2.2.6. The status of the call.



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- 5.12.2.2.7. The call resolution.
- 5.12.2.2.8. Time spent on the call – with an application that automatically starts a clock once a new ticket is opened and until the ticket is saved.
- 5.12.2.2.9. Time customer is waiting in queue – Once a call is answered, the ACD displays the amount of time the customer has been waiting.
- 5.12.2.3. Allow for full customization of fields, to allow new information that is deemed necessary to capture can be implemented.
- 5.12.2.4. Reporting
 - 5.12.2.4.1. Application shall have a real-time dashboard that displays the following information for each CSR and the combined team:
 - 5.12.2.4.1.1. First contact resolution.
 - 5.12.2.4.1.2. Issues statistics.
 - 5.12.2.4.1.3. Resolution rate.
 - 5.12.2.4.1.4. Turnaround time.
 - 5.12.2.4.2. Application shall be able to generate the following reports:
 - 5.12.2.4.2.1. Call logs weekly.
 - 5.12.2.4.2.2. Queue information weekly/monthly.
 - 5.12.2.4.2.3. Number of calls sorted by date.
 - 5.12.2.4.2.4. Call types and resolutions weekly, monthly summary.
 - 5.12.2.4.2.5. Open issues weekly summary.
 - 5.12.2.4.2.6. Helpdesk summary monthly.
 - 5.12.2.4.2.7. Ad Hoc.
- 5.12.3. Provide three (3) full-time CSRs to provide first (1st) level WIC Service Desk support at the ADHS office in Phoenix, AZ or virtually, as determined by ADHS. The CSRs shall have acquired knowledge through experience with other system implementations and through training, and are well equipped to resolve most issues at the time of the call. Additionally, the CSRs shall have the ability to search the Contractor's call center knowledge database of previously resolved issues and immediately supply the caller with a resolution if one is available. This eliminates redundancy in researching issues that have been dealt with previously.
- 5.12.4. As an option to ADHS, provide additional full-time CSR(s) to deliver services detailed in the SOW section 3.3.1.5.1.
- 5.12.5. The CSRs shall provide support for Arizona WIC cardholders that call the Arizona WIC Shoppers Helpline for support with eWIC transactions.



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- 5.12.6. The CSRs shall report to the ADHS WIC Service Desk Manager for work assignments and guidance. The CSRs shall have extensive training and background utilizing the current HANDS 2.0 software application, WIC Direct or current WIC EBT system, and WIC program rules. The Contractor staff shall provide operations support coverage, Monday through Friday 4:00am Pacific Standard Time (PST) to 7:00pm PST, and Saturdays from 8:00am PST to 1:00pm PST excluding holidays observed by the Arizona WIC program state office. Support shall include, but not be limited to the following:
- 5.12.6.1. Call Receipt.
 - 5.12.6.2. Call Documentation.
 - 5.12.6.3. Initial Fault Isolation.
 - 5.12.6.4. Procedural-driven problem resolution.
 - 5.12.6.5. General how-to questions related to supported desktop applications, and problem referral for the support activities that cannot be resolved from the first (1st) level service.
- 5.12.7. Provide the customer a work order number as a reference and for the call that is escalated to second (2nd) level support if the first (1st) level CSR cannot resolve the issue at the time of the call. Second (2nd) level support shall include any of the Contractor's staff referenced in SOW section 3.3.1 or any additional staff.
- 5.12.8. Ensure the WIC Service Desk provides the following:
- 5.12.8.1. Support calls, when needed.
 - 5.12.8.2. End of Day checking.
 - 5.12.8.3. Service Desk scheduling.
 - 5.12.8.4. Call Tracking Report.
 - 5.12.8.5. Ticket reviews/monitoring.
 - 5.12.8.6. HANDS 2.0 release support and testing.
 - 5.12.8.7. WIC Service Desk Application administration.
 - 5.12.8.8. System Backup (overflow).
- 5.12.9. Provide ADHS with a toll-free phone number for the Arizona WIC Shoppers Helpline to allow Arizona WIC participants to get support while shopping with their eWIC card.
- 5.12.10. Provide ADHS, American Samoa, CNMI, DC, Guam, and Navajo Nation a toll-free phone number to allow users the ability to verbally initiate a support request to the WIC Service Desk CSRs.
- 5.12.10.1. Ensure that the caller arrives at an automated attendant where they are instructed to select the department and then select the applicable service from the phone tree. The call shall be answered by available CSR that includes the Contractor WIC Service Desk staff.
 - 5.12.10.2. Use an Automatic Call Distribution (ACD) system for phone routing. Ensure upon calling the WIC Service Desk, the ACD system places users in a holding queue if all available CSRs are on the phone serving other customers. Once the CSR becomes



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available the call is automatically routed to that CSR's phone to be answered within five (5) rings. The 'round-robin' setup provides customers with the most efficient response times to their inquiries. In the event that all CSRs are assisting with issues, callers will be prompted to leave a voice mail message which will be returned as soon as possible. CSRs shall check the voice mail boxes frequently to ensure a timely response. Off hours and weekend after-hours calls are delivered to the WIC Service Desk voice mailbox and the CSRs shall check the voice mail at the beginning of each business day to ensure that off-hours issues are captured and addressed. The ACD system also tracks statistics on the number of phone calls received and the disposition of calls. The system also converts voice mails into email messages.

5.12.10.3. Transfer ownership of the ADHS, American Samoa, CNMI, Guam, Washington DC, and Navajo Nation toll-free numbers (referenced in SOW sections 5.12.9. and 5.12.10.) to ADHS upon end of contract.

5.12.10.4. Call Tree Changes:

5.12.10.4.1. Recommend skill set adjustments which include the adjustment of call routing priorities per skill set and agent assignments per skill set.

5.12.10.4.2. Ensure that in the event of an emergency outage, phone greetings and call tree adjustments are made in line with the Emergency WIC Service Desk protocols outlined within the ADHS WIC Service Desk support guide.

5.12.10.5. Default Routing / Weekend routing

5.12.10.5.1. Provide cell phones to first (1st) level escalation staff, should there be a reason for escalation, and ensure the cell phone numbers are provided to ADHS.

5.12.10.5.2. Have phone services with a national telecommunication provider. However, if the provider is down, have a backup support through a VOIP provider to provide immediate access to WIC Service Desk, even though services may be limited.

5.12.10.5.3. Allow CSRs or ADHS staff to login to routing or call tree in the event of a network outage or physical phone issue.

5.12.10.6. Technical Support for Clinic Operations:

5.12.10.6.1. Provide second (2nd) and technical level support for WIC Service Desk Operations. Any item requiring attention by support staff for operational, service, or data-related issues, notification shall be provided through a Contractor specified email address. As soon as an email comes to this address from the WIC Service Desk Application or WIC Service Desk personnel, the Contractor's support staff shall respond and communicate progress until resolution. The Contractor shall include the ADHS Customer Support Service email address (WICServiceDesk@azdhs.gov) in its response, if not already included, so that all know the status of an issue.

5.12.10.6.2. Follow established procedures as described to resolve issues:

5.12.10.6.2.1. Critical calls defined as a situation in which WIC business cannot be performed, benefits cannot be



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distributed, or the system is not operational, shall be addressed immediately, and the WIC Service Desk shall provide time estimates and updates to the clinic while the fix is being addressed.

- 5.12.10.6.2.2. High priority calls are items needing resolution as soon as possible but do not prevent the clinic from issuing a participant food benefits. These issues shall be addressed within twenty-four (24) hours (excluding non-working days) and the WIC Service Desk shall provide time estimates and updates of progress to the clinic while the fix is being addressed.
- 5.12.10.6.2.3. Low priority calls, defined as issues that do not affect direct WIC business operations, shall be resolved in seven (7) days.
- 5.12.10.7. CSR to call the primary escalation phone number provided by the Contractor during normal business operation hours identified in section 5.12.6 if ADHS does not receive a response within an appropriate period of time, as specified in Tasks section 5.11.11.
- 5.12.10.8. CSR to call the secondary escalation phone number provided by the Contractor if the issue is not resolved by calling the primary escalation phone number. The Contractor shall provide immediate support for issues relating to clients unable to receive food benefits due to an application process deficiency. However, it must be noted there will be instances that resolution may take more than a few hours depending on the nature of the issue. For issues that are related to data update or correction that does not impact providing food benefit issuance of critical nature, the Contractor shall provide support as needed depending on the priority of the issue.
- 5.12.10.9. Ensure that the Operations Manager is responsible for providing resolution to any WIC Service Desk ticket with the final escalation for support rests with the Development team.
- 5.12.10.10. Ensure that the CSRs or development staff are able to provide resolution as soon as possible. In cases, where an issue would require a code change, ADHS and the Contractor will together determine if it is a priority based on defined priorities and managed accordingly. If the requested code change is a change in requirements or an enhancement, it will be managed through the ADHS change management.
- 5.12.10.11. If a data correction or update is needed, the Contractor shall develop scripts for a data update, test the script, and request the ADHS DBA to run the script in production. The Contractor shall collaborate with ADHS so that a current copy of the production database be available in the test environment to test and validate the script prior to executing the script in production.
- 5.12.10.12. Have an error and optimization logging feature within the application that will allow the support staff to determine detail about an error and provide targeted support to issues found. The feature should track the date and time of the exception occurrence, the name of server where the exception originated, the user ID of the person who received the exception, information about the browser, the exception time along with the detail stack trace message, and the associated object data. This feature should allow the Contractor to identify a cause of an error using factual information.
- 5.12.10.13. Determining Severity and Priority:



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- 5.12.10.13.1. The Contractor shall support ADHS in determining the severity and priority rankings. ADHS has final authority in setting the severity and priority rating, once a defect is validated and documented.
- 5.12.10.13.2. The Contractor shall complete work based on the severity and the priority ranking.
- 5.12.10.13.3. Assign the severity and priority rating for issues identified in the HANDS 2.0 application.
 - 5.12.10.13.3.1. Critical - Severity One (1): Show-Stopper, no workaround solution, which includes:
 - 5.12.10.13.3.1.1. Problems that prevent servicing a participant.
 - 5.12.10.13.3.1.2. Data loss or corruption.
 - 5.12.10.13.3.1.3. Prevent food benefit issuance.
 - 5.12.10.13.3.1.4. Issues blocking certification process.
 - 5.12.10.13.3.1.5. Critical functionality discrepancy between requirements and implementation.
 - 5.12.10.13.3.1.6. Critical functionality error handling failures with high occurrence likelihood resulting in high impact to participants or users of the application.
 - 5.12.10.13.3.1.7. Security concerns with customer visibility.
 - 5.12.10.13.3.2. High - Severity Two (2): Forced to use a workaround process which includes:
 - 5.12.10.13.3.2.1. Problems causing crashes, loss of data, severe performance problems, or excessive resource use.
 - 5.12.10.13.3.2.2. Partially impaired critical functionality with less than desirable workaround.
 - 5.12.10.13.3.2.3. Failure of non-critical functionality with no workaround.
 - 5.12.10.13.3.2.4. Non-critical functionality discrepancy between requirements and implementation.



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5.12.10.13.3.2.5. High customer impact User Interface (UI) discrepancies.

5.12.10.13.3.2.6. Security concern with no significant customer impact.

5.12.10.13.3.3. Minor- Severity Three (3): Inconvenient or misleading process which includes:

5.12.10.13.3.3.1. Broken or missing functionality.

5.12.10.13.3.3.2. High impact spelling errors.

5.12.10.13.3.3.3. Non-critical functionality error handling failure.

5.12.10.13.3.4. Cosmetic - Severity Four (4): Field label or sentence typos which include:

5.12.10.13.3.4.1. Improvement to existing code, e.g., performance enhancement, or problems with an easy workaround.

5.12.10.13.3.4.2. Low customer impact feature failure.

5.12.10.13.3.4.3. UI layout or low-impact spelling errors.

5.12.10.13.4. Establish the following Priority Ratings:

5.12.10.13.4.1. Priority One (1): Urgent: Fix as soon as possible.

5.12.10.13.4.2. Priority Two (2): High: Fix for the next release.

5.12.10.13.4.3. Priority Three (3): Medium: Fix for the next release with lower priority.

5.12.10.13.4.4. Priority Four (4) Low: Fix as related to other priority worked already planned for the next release.

5.12.10.13.4.5. Not Prioritized: The priority has not been determined, and ADHS will set the priority at a future date.

5.12.11. The Contractor shall at a minimum meet the performance standards for WIC Service Desk issue communication and resolution as specified in Table Two (2), listed below – WIC Service Desk Performance Standards.

Severity	Description	Initial Communication Response Time	Resolution Time
Emergency Priority	WIC business cannot be performed, benefits cannot be distributed, system is not	Within ten (10) to fifteen (15) Minutes	Resolve issue and down grade severity within eight (8) hours of initial



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	operational; item needs immediate resolution.		communication. An estimate of time required to correct the problem will be reported within one (1) hour of Initial communication.
Severe / High Priority	WIC business operations can be performed but are affected. Item needs resolution as soon as possible.	Within eight (8) hours	Deliver a correction or new communication within forty-eight (48) hours of initial communication.
Medium Priority	WIC business operations are not dramatically affected; item needs resolution but does not need immediate attention. - WIC Client is not waiting. Clinic Staff are still able to work in relation to issue.	Within twenty-four (24) hours	Resolve issue in seven (7) business days of initial communication or ADHS agreed upon new estimate for resolution.
Low Priority	WIC business operations are not affected; item needs resolution but does not need immediate attention.	Within seven (7) days	Resolve within thirty (30) business days of initial communication or ADHS agreed upon new estimate for resolution.

5.13 Appointment and Expiring Food Benefit Reminders

5.13.1. Text Message Reminders:

- 5.13.1.1. Provide text message reminder, confirmation service, and support for HANDS 2.0 appointment reminders for the HANDS Consortium. ADHS will identify a specified time for the contractor to send text messages to WIC Clients. The time may be different for each HANDS Consortium member. Multiple text messages may be sent as a reminder for a single appointment. The current system is set to send reminders seven (7) days prior, and one (1) day prior to, their appointment. ADHS reserves the right to adjust the timing and number of messages.
- 5.13.1.2. Provide text message reminders for expiring food benefits for the HANDS Consortium. The current system is set to send reminders ten (10) days prior to the last date to use for that month's benefits. ADHS reserves the right to adjust the timing and number of messages.
- 5.13.1.3. Turning text message reminders on or off is a State Agency level configurable option. ADHS manages the text message appointment and benefit reminders configuration with the HANDS Consortium.

5.13.2. Email Appointment Reminders:

- 5.13.2.1. Provide email reminder, confirmation service, and support for HANDS 2.0 appointment reminders for the HANDS Consortium. ADHS will identify a specified time for the contractor to send email messages to WIC Clients. Multiple email messages may be sent as a reminder for a single appointment. The current system is set to send reminders seven (7) days prior, and one (1) day prior to their appointment. ADHS reserves the right to adjust the timing and number of emails.
- 5.13.2.2. Provide email reminders for expiring food benefits for the HANDS Consortium. The current system is set to send reminders ten (10) days prior the last date to use for that



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month's benefits. ADHS reserves the right to adjust the timing and number of emails.

5.13.2.3. Turning email reminders on or off is a State Agency level configurable option. ADHS manages the email appointment reminders configuration with the HANDS Consortium.

5.13.3. Automated Phone Reminders:

5.13.3.1. Provide automated phone call reminder, confirmation service and support for HANDS 2.0 appointment reminders for the HANDS Consortium. ADHS will identify a specified time for the contractor to send phone calls to WIC Clients. Multiple phone calls may be sent as a reminder for a single appointment. The current system is set to send reminders seven (7) days prior to and one (1) day before their appointment. ADHS reserves the right to adjust the timing and number of reminders.

5.13.3.2. Provide automated phone call reminders for expiring food benefits for the HANDS Consortium. The current system is set to send reminders ten (10) days prior to the last date to use for that month's benefits. ADHS reserves the right to adjust the timing and number of reminders.

5.13.3.3. Turning automated phone call reminders on or off is a State Agency level configurable option. ADHS manages the automated phone call appointment reminders configuration with the HANDS Consortia.

5.13.4. Monthly Status Report

5.13.4.1. Provide a monthly status report on the project, system, and staff. The monthly status report shall include, but not limited to, the following:

5.13.4.1.1. Work completed.

5.13.4.1.2. Work to be completed in the following month.

5.13.4.1.3. Risks and Mitigation Strategies.

5.13.4.1.4. Issues and Resolutions.

5.14. End of Contract Transition

5.14.1. Provide an End of Contract Transition Plan that shall be due one (1) year prior to the end of the Contract. The End of Contract Transition Plan shall include a resource staffing plan, issue tracking log, WIC Service Desk support services transition plan, knowledge transfer plan, relational database diagram, and a project schedule.

5.14.2. Transition Planning and Documentation:

5.14.2.1. Ensure that the following transition planning and documentation objectives are met:

5.14.2.1.1. Manage transition as a project with clearly defined deliverables.

5.14.2.1.2. Ensure that there is identified senior management sponsorship and responsibility for the successful handover to the incoming HANDS 2.0 maintenance provider.

5.14.2.1.3. Maximize the number of experienced personnel on the project in the relevant domain and technical skills, and operating processes.



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5.14.3. End of Contract Knowledge Transition

5.14.3.1. Provide knowledge transfer to incoming HANDS 2.0 maintenance provider to maintain and support the application in the future. The knowledge transfer shall cover the following areas as ADHS staff work with Contractor IT staff:

5.14.3.2. Provide knowledge transfer in the following areas, including:

5.14.3.2.1. Application and technical architecture.

5.14.3.2.2. Application components.

5.14.3.2.3. Database objects.

5.14.3.2.4. Installation and migration procedures.

5.14.3.3. WIC Service Desk Support Services

5.14.3.3.1. Support the transfer of WIC Service Desk Tickets from existing system to incoming HANDS 2.0 maintenance provider's WIC Service Desk application.

5.14.3.3.2. Support the transfer of the HANDS Consortium owned WIC Service Desk phone numbers to incoming HANDS 2.0 maintenance provider.

5.14.3.3.3. Transition the End of Day and End of Month monitoring services to the incoming HANDS 2.0 maintenance provider.

5.14.3.3.4. Transition WIC Service Desk daily monitoring tasks to the incoming HANDS 2.0 maintenance provider.

5.14.3.4. HANDS 2.0 Maintenance

5.14.3.4.1. Engage incoming HANDS 2.0 maintenance provider to keep abreast of any changes to architecture, code deployment routines, and server software installation procedures.

5.14.3.4.2. Engage incoming HANDS 2.0 maintenance provider by including them in the day-to-day operations of the HANDS 2.0 application, by providing guidance and assigning tasks and bugs so that they have direct knowledge of the application.

5.14.3.4.3. Include incoming HANDS 2.0 maintenance provider staff in any architecture or development sessions provided by Contractor's lead staff.

5.14.3.4.4. Work with incoming HANDS 2.0 maintenance provider to determine the transition needed to transfer the maintenance and operations of HANDS 2.0 including batch processes by coordinating processes to transfer people and support services. The transition process consists of a number of distinct and complimentary work streams, managed for overall success of the application support.

5.14.3.4.5. Provide incoming HANDS 2.0 maintenance provider with list of current HANDS 2.0 bugs and prioritize backlog of tasks.



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- 5.14.3.4.6. Collaborate with ADHS to manage key issues and mitigate the risks and utilizing the approach below:

Risk	Mitigation
Loss of institutional and domain knowledge due to staff attrition.	Application documentation with carefully planned knowledge transfer sessions.
Loss of service through unplanned attrition during transition period.	Identify key staff and incentivize to remain.
Interruption in coordination tasks and assignment between application support and maintenance and new development – stemming from process and work product ownership.	Define clear roles and task assumptions.
Significant change in the way that the current HANDS 2.0 support services are delivered will inevitably raise of risk of service quality.	A lead time of at least six (6) months must be planned for the transition.

5.14.3.5. HANDS 2.0 Management

- 5.14.3.5.1. Use the process of custom agile iterative development methodology to provide exemplary service to ADHS. The process includes active requirements management, design sessions using operational scenarios and wireframes, tracking the entire Software Development Life Cycle (SDLC), Source Code Configuration Management and Release Management, test plan and test scripts in the ADHS Axure DevOps (ADO) repository.
- 5.14.3.5.2. Use ADHS defined processes to track activities in the ADHS ADO between and among various sub-groups of the Contractor team and ADHS, and managing written documentation by actively managing the documentation through the critical path of the process.
- 5.14.3.5.3. Upgrade HANDS 2.0 components so that the applications do not become end of life. This may include architecture upgrades, software upgrades, driver updates, etc. For example, Oracle 19c support is scheduled to end April 2027 and will require upgrade to Oracle.
- 5.14.3.5.4. Key Support:
- 5.14.3.5.4.1. Leverage the significant knowledge and expertise gained through its development of the HANDS 2.0 or other Management Information System (MIS) applications to reduce the project team learning curve and improve continuity of information and project direction.

5.14.3.6. Appointment and Benefit Reminders Service

- 5.14.3.6.1. Transition text message appointment and benefit reminders and support to incoming HANDS 2.0 maintenance provider.
- 5.14.3.6.2. Transition email appointment reminders and benefit reminders



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support to incoming HANDS 2.0 maintenance provider.

- 5.14.3.6.3. Transition automatic phone call appointment reminders and benefit reminders support to incoming HANDS 2.0 maintenance provider.

5.15. Optional Services

5.15.1. HANDS 2.0, Vendor Web, and Participant Portal Future Upgrades:

- 5.15.1.1. As an option to ADHS, ADHS may request the contractor to upgrade HANDS 2.0, Vendor Web, and/or the Participant Portal to include new features, update architecture, upgrade technology components, etc. that will exceed what the assigned Maintenance and Operations team can do in a given time frame.
- 5.15.1.2. If ADHS utilizes this optional service, the Contractor shall provide a proposal for the upgrades, including scope, timeline, and estimated cost.

5.16. Share the following computer information with ADHS:

- 5.16.1. Computer serial numbers.
- 5.16.2. Proof that the computers are patched monthly.
- 5.16.3. Proof that the computers have virus scan utility installed.

5.17. Allow ADHS staff to attend Contractor lead meetings such as but not limited to, daily huddles and sprint planning to promote transparency for work that has been completed, to be completed, and issues.

5.18. Contractor's invoices shall be submitted no later than the close of business on the fifteenth (15th) working business day of each month, following the month of service. The Contractor Manager, or Designee, will approve the invoice. Approved invoices shall be paid by ADHS within thirty (30) days of receipt.

5.19. Invoices shall be sent to invoices@azdhs.gov.

6. STATE-PROVIDED ITEMS

ADHS will provide:

6.1. Software Licenses for Contractor team to support HANDS 2.0 MIS:

- 6.1.1. Toad for Oracle.
- 6.1.2. Jetbrain.
- 6.1.3. Microsoft Visual Studio to access ADHS Azure DevOps (ADO) environment.

6.2. Licenses for HANDS 2.0

- 6.2.1. Dynamsoft.
- 6.2.2. iText.
- 6.2.3. FontAwesome.
- 6.2.4. Oracle Dot Connect.



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- 6.2.5. Oracle.
- 6.2.6. Microsoft SQL.
- 6.2.7. Google Cloud Platform.
- 6.2.8. AWS Cloud.
- 6.2.9. Syncfusion.

6.3. HANDS 2.0 MIS Equipment

- 6.3.1. Peripherals
 - 6.3.1.1. Epson Document Scanners.
 - 6.3.1.2. Topaz Signature Pads.
 - 6.3.1.3. Verifone PIN Pads.
 - 6.3.1.4. Card Readers.

- 6.4. Access to ADHS's network, so the Contractor will have access to ADO and the HANDS 2.0 MIS environments.

7. APPROVALS

- 7.1 Enhancements to the software will be governed by the following:
 - 7.1.1. Enhancements from the product backlog shall be approved and authorized by ADHS.
 - 7.1.2. Changes to the application that can be completed within a defined sprint schedule approved and authorized by ADHS.
 - 7.1.3. Changes included shall be completed as part of the next planned production release approved and authorized by ADHS.
 - 7.1.4. Changes requested shall not exceed the total number of development and quality assurance available hours planned for a sprint or release for staff working normal operational hours approved and authorized by ADHS.
 - 7.1.5. Changes to software will be prioritized and approved by ADHS, based on recommendations provided to ADHS by the Contractor. Major application enhancements may be pursued through the established ADHS Change Management Process. While some enhancements may not require a change request, a change request will be required to document new application functionality. Enhancements may also be changes that fall within the scope of the original product definition that would make an existing function more efficient or improve operational efficiency.

8. DELIVERABLES

The Contractor shall:

- 8.1 Provide a monthly status report on the project, system, and staff that is due ten (10) days following the end of each month.



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8.2 Contractor's invoices shall be submitted no later than the close of business on the fifteenth (15th) working business day of each month, following the month of service. The Contractor Manager, or Designee, will approve the invoice. Approved invoices shall be paid by ADHS within thirty (30) days of receipt.

8.3 Invoices shall be sent to invoices@azdhs.gov.

9. NOTICES, CORRESPONDENCE, REPORTS AND INVOICES

9.1 Notices, Correspondence, and Reports from the Contractor shall be sent to:

Arizona Department of Health Services
Attention: Marlene Hernandez
150 N 18th Avenue Ste 300
Phoenix, AZ 85007
Marlene.Hernandez@azdhs.gov



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1. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 et seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a Contract for the materials or services as listed herein.

2. Term of Contract (1 Year)

The term of any resultant Contract shall commence upon final signature, and shall continue for a period of one (1) year thereafter, unless terminated, canceled, or extended as otherwise provided herein.

3. Contract Extensions 7 Year Maximum

The Contract term shall begin as specified in section two (2) above, and shall continue for a period of one (1) year, subject to additional successive periods of twelve (12) months per extension, with a maximum aggregate, including all extensions not to exceed seven (7) years.

4. Contract Type

☒ Fixed Price / Contractor Relationship

5. Contract Funding Type

☒ Federally Funded

6. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

7. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

8. Key Personnel

8.1. It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

8.2. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State. Such notice shall be given thirty (30) days prior to the reassignment or personnel's last day assigned to the Contract.



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8.3. Key personnel not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the State, and shall, subject to the concurrence of the State, replace such personnel with personnel of substantially equal ability and qualifications.

8.4. The State Agency reserves the right to review resumes and participate in interviews for the hiring of any staff assigned to this Contract. Further, the State Agency reserves the right to deny or refuse any offered replacement personnel by the Contractor.

9. Pricing

Most-Favored Customer - Throughout the life of the contract, the Contractor shall always offer the State the Most-Favored Customer or Highest Tier Customer price discount rate on contracted product(s) concurrent with a published price discount rate made to other Customers (both Private and Public sectors). The Contractor shall extend to the State that most-favored customer or Highest Tier Customer price discount on all new product lines during the life of the contract.

10. Non-Exclusive Contract

This Contract is issued with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

11. Volume of Work

The ADHS does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

12. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the ADHS or the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

13. Order Process

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under Contract with ADHS is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

14. Contractor Performance Reports

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

15. Payment Procedures

15.1. ADHS accounting will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices



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requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

15.2. The Contractor shall review and ensure that the invoices for services provided show the correct Contractor name prior to sending them to the ADHS Accounting Office for payment.

15.3. If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring Contract rights and responsibilities to the new Contractor. ADHS must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

16. Financial Management

16.1. For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of Contract funds and by the ADHS when performing a Contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these Contract services shall be accounted for in a separate fund.

16.2. State Funding. Contractors receiving state funds under this Contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.

16.3. Federal Funding. Contractors receiving federal funds under this Contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

17. Inspection and Acceptance

All services, data and required reports are subject to final inspection, review, evaluation and acceptance by the ADHS. The ADHS may withhold payment for services that are deemed to not meet Contract standards.

18. Authorization for Services

Authorization for purchase of services under this Contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the Contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

19. Insurance and Indemnification Requirements

19.1. Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners,



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officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona. This indemnity shall not apply if the Contractor or Sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

19.2. Insurance Requirements

- 19.2.1. Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.
- 19.2.2. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

19.3. Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

19.3.1. Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- | | |
|---|----------------|
| • General Aggregate | \$2,000,000.00 |
| • Products – Completed Operations Aggregate | \$1,000,000.00 |
| • Personal and Advertising Injury | \$1,000,000.00 |
| • Damage to Rented Premises | \$50,000.00 |
| • Each Occurrence | \$1,000,000.00 |
- a) The policy shall not exclude coverage for Sexual Abuse and Molestation (SAM). This coverage may be sub-limited to no less than \$500,000. The limits may be included within the General Liability limit or provided by separate endorsement with its own limits. If you are unable to obtain SAM coverage under your General Liability because the insurance market will not support it, it should be included with the Professional Liability.
- b) Contractor must provide the following statement on their Certificate(s) of Insurance:



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“Sexual Abuse and Molestation coverage is included” or “Sexual Abuse and Molestation coverage is not excluded.”

- c) Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- d) Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

19.3.2. Business Automobile Liability

Bodily injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this contract.

- To Combined Single Limit (CSL) \$1,000,000.00
- a) Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b) Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

19.3.3. Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each accident \$1,000,000.00
 - Disease – Each employee \$1,000,000.00
 - Disease – Policy Limit \$1,000,000.00
- a) Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents and employees for losses arising from work performed by or on behalf of the Contractor.
- b) This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23.901 and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

19.3.4. Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000.00



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- Annual Aggregate \$2,000,000.00

- a) In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- b) The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

19.4. Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 19.4.1 The Contractor's policies as applicable shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees, or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 19.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

19.5. Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days' prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, or hand delivered to the Arizona Department of Health Services, 150 N 18th Ave, Suite 260, Phoenix, AZ 85007.

19.6. Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

19.7. Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (COI) (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

- 19.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.



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19.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

19.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

19.8. Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

19.9. Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

19.10. Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

20. Health Insurance Portability and Accountability Act of 1996

20.1. The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the Contract so that both ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Department of Administration-Arizona Strategic Enterprise Technology (ADOA-ASET) Office, the ADOA-ASET Arizona State Chief Information Security Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

20.2. If requested by the ADHS Procurement Office, Contractor agrees to sign a "Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who



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has been approved by the ADOA-ASET Arizona State Chief Information Security Officer and HIPAA Coordinator.

21. Pandemic Contractual Performance

- 21.1. The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a Contract. At a minimum, the pandemic performance plan shall include:
 - 21.1.1. Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce;
 - 21.1.2. Alternative methods to ensure there are products in the supply chain; and
 - 21.1.3. An up to date list of company contacts and organizational chart.
- 21.2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:
 - 21.2.1. After the official declaration of a pandemic, the State may temporarily void the Contract(s) in whole or specific sections, if the Contractor cannot perform to the standards agreed upon in the initial terms;
 - 21.2.2. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code; and
 - 21.2.3. Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided Contract(s).
- 21.3. The State, at any time, may request to see a copy of the written plan from the Contractor. The Contractor shall produce the written plan within seventy-two (72) hours of the request.

22. Contracting; Procurement; Investment; Prohibitions

- 22.1. A public entity may not enter into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel.
- 22.2. A public entity may not adopt a procurement, investment or other policy that has the effect of inducing or requiring a person or company to boycott Israel.

23. Transition Activities

- 23.1. Upon termination of this Contract, if ADHS anticipates a continued need for the Contract Services specified herein and a Contract is awarded to a new Contractor, there shall be a transition of services period of not less than thirty (30) days. During this period, the existing Contractor shall work closely with the new Contractor, or Contractors, personnel and/or staff to ensure a smooth and complete transfer of duties and responsibilities;
- 23.2. An authorized representative from ADHS shall coordinate all transition activities. A transition plan will be developed in conjunction with the outgoing Contractor to assist the new Contractor, or Contractors, personnel and/or staff to implement the transfer of duties;



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- 23.3. ADHS reserves the right to determine which projects nearing completion will remain with the current Contractor of record.
- 23.4. The Contractor shall return all ADHS equipment, reports, and any other documentation developed during the term of the Contract that ADHS deems necessary to maintain ongoing operations.

24. Fraud, Waste, and Abuse

- 24.1. ADHS requires all employees to abide by the State's Personnel System Rules, R2-5A-501; Standards of Conduct which includes maintaining high standards of honesty, integrity, and impartiality, free from personal considerations and/or favoritism, and Code of Conduct for individuals engaged in Accounting, Financial and Budgeting Activities which depicts the moral, ethical, legal and professional aspects of personal conduct. ADHS requires the same conduct of its consultants, vendors, contractors, subrecipients, or persons doing business with the agency.
- 24.2. Any State employee, consultant, vendor, contractor or subrecipient or person doing business with the Agency who receives a report of improper activity must report the information within one (1) business day. **Note:** Federal Award policy denotes awardees must disclose, in a timely manner, in writing to ADHS all violations of Federal Criminal Law, involving fraud, bribery, or gratuity violations potentially affecting Federal Awards.
- 24.3. Anyone suspecting Fraud, Waste, or Abuse related to ADHS activities are required to report Fraud, Waste, or abuse through any of the following reporting channels:
- 24.3.1. ADHS Ethics Action Hotline at (602) 542-2347,
- 24.3.2. ADHS Ethics Action Email at reportethics@azdhs.gov ,or
- 24.3.3. General Accounting Office (GAO) Fraud Reporting Email at reportfraud@azdoa.gov to report Fraud, Waste, or Abuse incidents

25. General Provisions for Services

- 25.1. Applicability. Section Twenty-five (25) applies to the extent the Work is or includes Services
- 25.2. Comprehensive Services. Contractor shall provide the comprehensive range of Services for which a price is established in the Contract for ordering.
- 25.3. Additional Services. State at its discretion may modify the scope of the Contract by Contract Amendment to include additional Services or service categories that are within the general scope of the ones originally covered by the Contract. Once the Contract Amendment is fully executed, Contractor shall then update all applicable pricing and make them available. Either party may make the request to add Services to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional Services, but State may elect not to add some or all of the Services in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request shall include documentation demonstrating that the proposed price for the additional Services is both fair and reasonable and comparable to the original prices.
- 25.4. Off-Contract Services. Contractor shall ensure that the ordering process for the Services prevents Orders for Services not included in the scope of the Contract (and for which no price or compensation has been established in the Contract) or Services explicitly excluded from the Contract. Notwithstanding that State might have its own internal administrative rules regarding off-contract or excluded ordering of Services, and endeavors to prevent such Orders from occurring, Contractor is responsible for not accepting any such Orders. State may, at its discretion, cancel any such Order without obligation.



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- 25.5. Removal of Personnel. Notwithstanding that Contractor is in every circumstance responsible for hiring, assigning, directing, managing, training, disciplining, and rewarding its personnel, State may at its discretion, and without the obligation to demonstrate cause, instruct Contractor to remove any of its personnel from State's facilities or from further assignment under the Contract. In such cases, Contractor shall promptly replace removed personnel with other personnel that have equivalent qualifications, experience, and capabilities.
- 25.6. Accuracy of Work. Contractor is responsible for the accuracy of the Services, and shall promptly make all necessary revisions or corrections resulting from errors and omissions on its part without additional compensation. Acceptance by State shall not relieve Contractor of responsibility for correction of any errors discovered subsequently or necessary clarification of any ambiguities
- 25.7. Requirements at Location of Services
- 25.7.1. Contractor personnel shall perform their assigned portions of the Services at the specific location indicated in the Order. Contractor acknowledges that the location might be inside an industrial building, institutional building, or one of various office types and classes.
- 25.7.2. If performing the Services requires Contractor personnel to work inside a secured perimeter at certain institutional facilities (including but not limited to the Arizona State Hospital) where prior clearances may be required, Contractor shall contact the facility directly in advance of performing the Services to confirm its current security clearance procedures, allowable hours for work, visitor dress code, and other applicable rules. State shall not pay any additional fees (including but not limited to services charges) or excuse late performance, if Contractor has failed to comply with these requirements.
- 25.8. Acceptance of Services. State has the right to accept Services subject to acceptance criteria. State may apply acceptance criteria to the Contract or a specific Order, which may include, but are not limited to, accuracy, completeness, conformance to requirements, or quality. State shall not pay Contractor for unaccepted Services, and State may, at its discretion, withhold or make partial payment for any rejected Services, while Contractor is in the process of re-performing or otherwise curing the grounds for State's rejection.
- 25.9. Corrective Action Required. Notwithstanding any other guarantees, general warranties, or particular warranties Contractor has given under the Contract, and in addition to any other rights and remedies available under the Contract, if Contractor fails to perform any material portion of the Services including, but not limited to, failure to complete any contractual deliverable or failure to meet agreed-upon service levels or service standards set out in or referred to in the Contract, then Contractor shall perform a root-cause analysis to identify the source of the failure and use all commercially reasonable efforts to correct the failure and meet the Contract requirements as promptly as is practicable.
- 25.9.1. Contractor shall provide State a report detailing the identified cause and setting out its detailed corrective action plan promptly after the date the failure occurred (or the date when the failure first became apparent, if it was not apparent immediately after occurrence).
- 25.9.2. State may demand to review and approve Contractor's analysis and plans, and Contractor shall make any and all reasonable corrections State instructs and adopt State's recommendations, including any measures State determines to be necessary for employee or public safety, or the protection of property or the environment.
- 25.9.3. Contractor shall take the necessary action(s) to avoid any like failures in the future.



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26. Data and Information Handling

26.1. Applicability. Section Twenty-six (26) applies to the extent the Work includes handling of any (1) State's proprietary and sensitive Data or (2) confidential or access-restricted information obtained from the State or from others at State's behest.

26.2. Data Protection and Confidentiality of Information. Contractor warrants that it will establish and maintain procedures and controls acceptable to State for ensuring that State's proprietary and sensitive Data is protected from unauthorized access and information obtained from State or others in performance of its contractual duties is not mishandled, misused, or inappropriately released or disclosed. For purposes of this paragraph, all Data created by Contractor in any way related to the Contract, provided to Contractor by State, or prepared by others for State are proprietary to State, and all information by those same avenues is State's confidential information. To comply with the foregoing warrant:

26.2.1. Contractor shall provide the State and Eligible Agencies with a copy of its Disaster Recovery plan upon request. The Disaster Recovery plan shall outline the Contractor's actions, with timelines, in the event of a natural disaster, cyber-attack or loss of ability to operate and perform services under this contract.

26.2.2. Contractor shall: (a) notify State immediately of any unauthorized access or inappropriate disclosures, whether stemming from an external Data Breach, internal Data Breach, system failure, or procedural lapse within twenty-four (24) hours of a Data Breach, by sending an email to the Arizona Department of Homeland Security at AZSOC@azdohs.gov and GRC@azdohs.gov, reporting the incident that occurred; (b) cooperate with State to identify the source or cause and respond to each unauthorized access or inappropriate disclosure; and (c) notify State promptly of any security threat that could result in unauthorized access or inappropriate disclosures; and

26.2.3. Contractor shall not: (a) release any such Data or allow it to be released or divulge any such information to anyone other than its employees or officers as needed for each person's individual performance of his or her duties under the Contract, unless State has agreed otherwise in advance and in writing; or (b) respond to any requests it receives from a third party for such Data or information, and instead route all such requests to State's designated representative.

26.3. Personally Identifiable Information. Without limiting the generality of paragraph 26.2, Contractor warrants that it will employ protections for any personally identifiable information ("PII") belonging to State's employees or other contractors or members of the general public that it receives from State or otherwise acquires in its performance under the Contract. For purposes of this paragraph:

26.3.1. PII has the meaning given in the Arizona Revised Statute (A.R.S.) § 18-551; and

26.3.2. "protections" has the meaning given in the National Institute of Standards and Technology (NIST) Special Publication 800-160, Revision 2, Volume 1.

NOTE (1): For convenience of reference only, Arizona Revised Statute (A.R.S.) §18-551 is available at: <https://www.azleg.gov/ars/18/00551.htm>

NOTE (2): For convenience of reference only, NIST SP 800-160 Revision 2, Volume 1 is available at: <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-160v2r1.pdf>



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26.4. Protected Health Information. Contractor warrants that, to the extent performance under Contract involves individually identifiable health information (referred to hereinafter as protected health information ("PHI") and electronic PHI ("ePHI") as defined in the Privacy Rule referred to below), it:

26.4.1. is familiar with and will comply with the applicable aspects of the following collective regulatory requirements regarding patient information privacy protection: (a) the "Privacy Rule" in CFR 45 Part 160 and Part 164 pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996; (b) Arizona laws, rules, and regulations applicable to PHI/ePHI that are not preempted by CFR45-160(B) or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and (c) State's current and published PHI/ePHI privacy and security policies and procedures;

26.4.2. will cooperate with State in the course of performing under the Contract so that both State and Contractor stay in compliance with the requirements in one (1) above; and

26.4.3. will sign any documents that are reasonably necessary to keep both State and Contractor in compliance with the requirements in one (1) above, in particular "Business Associate Agreements" in accordance with the Privacy Rule.

NOTE: For convenience of reference only, the Privacy Rule is available at:

<http://www.hhs.gov/hipaa/for-professionals/privacy/index.html>

26.5. Artificial Intelligence (AI) Prohibitions. Consistent with State policy, if Contractor supplies AL Services or Materials (either directly or through Subcontractors or the sale of licenses), such as research, development, training, implementation, deployment, maintenance, provision, or sale of AI systems, then Contractor is prohibited from using State of Arizona Materials or Data in generative AI queries or for building or training proprietary generative AI programs unless explicitly approved in advance by the State in writing.

26.5.1. Contractor shall also disclose the utilization of generative AI before producing works owned by the State and/or integrating generative AI into Materials or Services used by the State.

26.5.2. Contractor shall perform due diligence to ensure proper licensure of model training data for all generative AI services

27. Information Technology Work

27.1. Applicability. Section Twenty-seven (27) applies to any Invitation for Bids, Request for Proposals, or Request for Quotations for "Information Technology," as defined in A.R.S. §18-101(6) "...all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects," if and to the extent that the Work is or includes Information Technology.

27.2. Background Checks. Each Contractor's personnel who is an applicant for an information technology position must undergo the security clearance and background check procedure, which includes fingerprinting, as required by A.R.S. § 41-710, Eligible Agency. Contractor shall obtain and pay for the security clearance and background check. Contractor personnel who will have administrator privileges on a State network must additionally provide identity and address verification and undergo State-specified training for unescorted access, confidentiality, privacy, and Data security



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- 27.3. Technology Replacement. In any event where product is discontinued, no longer available or technically inferior to newly developed product, the Contractor shall provide an equivalent replacement model at no additional cost and shall honor the original contract terms
- 27.4. Information Access
- 27.4.1. System Measures. Contractor shall employ appropriate system management and maintenance, fraud prevention and detection, and encryption application and tools to any systems or networks containing or transmitting State's proprietary Data or confidential information.
- 27.4.2. Individual Measures. Contractor personnel shall comply with applicable State policies and procedures regarding Data access, privacy, and security, including prohibitions on remote access and obtaining and maintaining access identifications (IDs) and passwords. Contractor is responsible to State for ensuring that any State access IDs and passwords are used only by the person to whom they were issued. Contractor shall ensure that personnel are only provided the minimum only such level of access necessary to perform their duties. Contractor shall, on request, provide a current register of the access IDs and passwords and corresponding access levels currently assigned to its personnel.
- 27.4.3. Access Control. Contractor is responsible to State for ensuring that hardware, software, Data, information, and that has been provided by State or belongs to or is in the custody of State and is accessed or accessible by Contractor personnel is only used in connection with carrying out the Work and is never commercially exploited in any manner whatsoever not expressly permitted under the Contract. State may restrict access of Contractor personnel, or instruct Contractor to restrict their access, if in its determination the requirements of this subparagraph are not being met.
- 27.5. Pass-Through Indemnity
- 27.5.1. Indemnity from Third Party. For computer hardware or software included in the Work as discrete units that were manufactured or developed solely by a third party, Contractor may satisfy its indemnification obligations under the Contract by, to the extent permissible by law, passing through to State such indemnity as it receives from the third-party source (each a "Pass-Through Indemnity") and cooperating with State in enforcing that indemnity. If the third party fails to honor its Pass-Through Indemnity, or if a Pass-Through Indemnity is insufficient to indemnify State Indemnitees to the extent and degree, Contractor is required to do by the Uniform Terms and Conditions, then Contractor shall indemnify, defend and hold harmless State Indemnitees to the extent the Pass-Through Indemnity does not.
- 27.5.2. Notification of Claims. State shall notify Contractor promptly of any claim to which a Pass-Through Indemnity might apply. Contractor, with reasonable consultation from State, shall control of the defense of any action on any claim to which a Pass-Through Indemnity applies, including negotiations for settlement or compromise, provided that:
- 27.5.2.1. State reserves the right to elect to participate in the action at its own expense;
- 27.5.2.2. State reserves the right to approve or reject any settlement or compromise on reasonable grounds and if done so timely; and
- 27.5.2.3. State shall in any case cooperate in the defense and any related settlement negotiations.



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27.5.3. Systems and Controls. In consideration for State having agreed to permit Pass-Through Indemnities in lieu of direct indemnity, Contractor agrees to establish and keep in place systems and controls appropriate to ensure that State funds under this Contract are not knowingly used for the acquisition, operation, or maintenance of Materials or Services in violation of intellectual property laws or a third party's intellectual property rights.

27.6. Redress of Infringement

27.6.1. Replace, License, or Modify. If Contractor becomes aware that any Materials or Services infringe, or are likely to be infringing, on any third party's intellectual property rights, then Contractor shall, at its sole cost and expense and in consultation with State, either:

27.6.1.1. Replace any infringing items with non-infringing ones;

27.6.1.2. Obtain for State the right to continue using the infringing items; or

27.6.1.3. Modify the infringing items so that they become non-infringing, so long as they continue to function as specified following the modification.

27.6.2. Cancellation Option. In every case under 27.6.2, if none of those options can reasonable be accomplished, or if the continued use of the infringing items is impracticable, State may cancel the relevant Order or terminate the Contract, and Contractor shall take back the infringing items. If State does cancel the Order or terminate the Contract, Contractor shall refund to State:

27.6.2.1. For any software created for State under the Contract, the amount State paid to Contractor for creating it;

27.6.2.2. For all other Materials, the net book value of the product provided according to generally accepted accounting principles; and

27.6.2.3. For Services, the amount paid by State or an amount equal to twelve (12) months of charges, whichever is less.

27.6.3. Exceptions. Contractor will not be liable for any claim of infringement based solely on any of the following by a State Indemnitee:

27.6.3.1. modification or use of Materials other than as contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor;

27.6.3.2. operation of Materials with any operating software other than that supplied by Contractor or authorized or proposed by a Contractor Indemnitor; or

27.6.3.3. combination or use with other products in a manner not contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor.

27.7. First Party Liability Limitation

27.7.1. Limit. Subject to the provisions that follow below Contractor shall submit a completed Arizona Baseline Infrastructure Security Controls assessment spreadsheet in the .xls format provided as found at:
https://azdohs.gov/sites/default/files/arizona_baseline_security_controls_2017_v2_0_0.xls, and



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mitigate or install compensating controls for any issues of concern identified by State. Contractor is required to provide any requested documentation supporting the review of the assessment to include NIST-based System Security Plans (SSP), Written Information Security Programs (WISP), and/or written IT policies in the manner requested.

27.7.2. Provisos. This paragraph limits liability for first party direct, indirect, incidental, special, punitive, and consequential damages relating to the Work regardless of the legal theory under which the liability is asserted. This paragraph does not limit liability arising from any:

27.7.2.1. Indemnified Claim against which Contractor has indemnified State Indemnitees under paragraph 6.2;

27.7.2.2. Claim against which Contractor has indemnified State Indemnitees under paragraph 6.3; or

27.7.2.3. Provision of the Contract calling for liquidated damages or specifying amount or percentages as being at-risk or subject to deduction for performance deficiencies.

27.7.3. Purchase Price Determination. If the Contract is for a single-agency and a single Order (or if no Order applies), then "purchase price" in Subparagraph 27.7.3 above means the aggregate Contract price current at the time of Contract expiration or earlier termination, including all Contract Amendments having an effect on the aggregate price through that date. In all other cases, "purchase price" above means the total price of the Order for the specific equipment, software, or services giving rise to the claim, and therefore a separate limit will apply to each Order.

27.7.4. No Effect on Insurance. This paragraph does not modify the required coverage limits, terms, and conditions of, or any insured's ability to claim against any insurance that Contractor is required by the Contract to provide, and Contractor shall obtain express endorsements that is does not.

27.8. Information Technology Warranty

27.8.1. Specified Design. Where the Scope of Work for information technology, Work provides a detailed design specification or sets out specific performance requirements, Contractor warrants that the Work will provide all functionality material to the intended use stated in the Contract, provided that the foregoing warranty does not extend to any portions of the Materials that are:

27.8.1.1. Modified or altered by anyone not authorized by Contractor to do so;

27.8.1.2. Maintained in a way inconsistent to any applicable manufacturer recommendations; or

27.8.1.3. Operated in a manner not within its intended use of environment.

27.8.2. COTS Software. With respect to Materials provided under the Contract that are commercial-off-the-shelf (COTS) software, Contractor warrants that:

27.8.2.1. To the extend possible, it will test the software before delivery using commercially available virus detection software conforming to current industry standards;

27.8.2.2. The COTS software will, to the best of its knowledge, at the time of delivery be free of viruses, backdoors, worms, spyware, malware, and other malicious code that



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could hamper performance, collect unlawfully any personally identifiable information, or prevent products from performing as required by the Contract; and

27.8.2.3. It will provide new or clean install of any COTS software that State has reason to believe contains harmful code.

27.8.3. Payment has no Effect. The warranties in this paragraph are not affected by State's inspection, testing, or payment.

27.9. Specific Remedies. Unless expressly stated otherwise elsewhere in the Contract, State's remedy for breach of warranty under paragraph 27.9 includes, at State's discretion, re-performance, repair, replacement, or refund of any amounts paid by State for the nonconforming Work, plus (in every case) Contractor's payment of State's additional documented, and reasonable costs to procure materials or services equivalent in function, capability, and performance that was first called for. For clarification of intent, the foregoing obligations are limited by the limitation of liability in paragraph 27.9. If none of the foregoing options can reasonably be affected, or if the use of the materials by State is made impractical by the nonconformance, then State may seek any remedy available to it under law.

27.10. Section 508 Compliance. Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. Purchase Price Determination. If the Contract is for a single-agency and a single Order (or if no Order applies), then "purchase price" in Subparagraph 27.7.3 above means the aggregate Contract price current at the time of Contract expiration or earlier termination, including all Contract Amendments having an effect on the aggregate price through that date. In all other cases, "purchase price" above means the total price of the Order for the specific equipment, software, or services giving rise to the claim, and therefore a separate limit will apply to each Order.

27.11. Cloud Applications. The following are required for Contractor of any Offer that includes the hosting of State Data outside of the State's network, or transmission and/or receipt of State Data:

27.11.1. Contractor shall submit a completed Arizona Baseline Infrastructure Security Controls assessment spreadsheet in the .xls format provided as found at: https://azdohs.gov/sites/default/files/arizona_baseline_security_controls_2017_v2_0_0.xls, and mitigate or install compensating controls for any issues of concern identified by State. Contractor is required to provide any requested documentation supporting the review of the assessment to include NIST-based System Security Plans (SSP), Written Information Security Programs (WISP), and/or written IT policies in the manner requested.

27.11.2. State reserves the right to conduct penetration tests or hire a third party to conduct penetrations tests of the Contractor's application. Contractor will be alerted in advance and arrangements made for an agreeable time. Contractor shall respond to all serious flaws discovered by providing an acceptable timeframe to resolve the issue and/or implement a compensating control.

27.11.3. Contractor must submit a copy of system logs from the Cloud system to the State of Arizona security team if or when requested, and in the format requested, to be added to the State Security Information Event Monitor (SIEM) or Intrusion Detection System (IDS).

27.11.4. Contractor must employ a government rated Cloud compartment to better protect sensitive or regulated State Data.



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28. FEDERAL FUNDING PROVISIONS (APPLICABLE FOR ALL FEDERALLY FUNDED CONTRACTS)

29. The Federal Funding Accountability and Transparency Act (FFATA or Transparency Act - P.L.109-282, as amended by section 6202(a) of P.L. 110-252), found at <https://www.fsrs.gov/>

If applicable, the subrecipient or sub-awardee is required to abide by the Federal Funding Accountability and Transparency Act (FFATA or Transparency Act – P.L. 109-282, as amended by section 6202(a) of P.L. 110-252), found at <https://www.fsrs.gov/>. The associated Grant Reporting Certification Form and completion instructions will be sent to the subrecipient from ADHS Program(s) responsible for the specific contract. The subrecipient or sub-awardee must return the completed form to ADHS Program(s) by the 15th of the month following that in which the award was received. Failure to complete a required Grant Reporting Certification Form may result in loss of funding.

30. Unique Entity Identifier (UEI) Requirement

Pursuant to 2 CFR 25.100 et seq., no entity (defined as a Governmental organization, which is a State, local government, or Indian tribe; foreign public entity; domestic or foreign nonprofit organization; domestic or foreign for-profit organization; or Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity) may receive a sub-award from ADHS unless the entity provides its Unique Entity Identifier Number to ADHS. The number can be created in SAM.gov. If already registered the UEI has been assigned and can be viewed in SAM.gov

31. §200.216 PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

31.1. Recipients and sub-recipients are prohibited from obligating or expending loan or grant funds to:

31.1.1. Procure or obtain;

31.1.2. Extend or renew a contract to procure or obtain; or

31.1.3. Enter in a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

31.1.3.1. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

31.1.3.2. Telecommunications or video surveillance services provided by such entities or using such equipment. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.



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UNIFORM TERMS AND CONDITIONS

1. Definition of Terms.

As used in this Contract, the terms listed below are defined as follows:

- 1.1. "AI" means the science and engineering of making machines capable of performing tasks that are typically associated with human intelligence, such as learning and problem-solving, and includes without limitation: AI systems, classic AI, external AI, generative AI, and large language model (LLM) AI.
- 1.2. "Attachment" means any item the Solicitation which requires the Offeror to submit as part of the Offer.
- 1.3. "Contract" means the combination of the Solicitation, including the Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.4. "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.5. "Contractor" means any person who has a Contract with the State.
- 1.6. "Data" means recorded information, regardless of form or the media on which it may be recorded. The term may include technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.
- 1.7. "Days" means calendar days unless otherwise specified.
- 1.8. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation generally containing maps, schematics, examples of reports, or other documents that will be used to perform the requirements of the Scope of Work after contract award.
- 1.9. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.10. "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.11. "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.12. "Services" means the furnishing of labor, time or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.13. "State" means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.
- 1.14. "State Fiscal Year" means the period beginning with July 1 and ending June 30.
- 1.15. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a Subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any Materials or any Services required for the performance of the Contract.
- 1.16. "Subcontractor" means a person who contracts to perform work or render Services to a Contractor or to



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another Subcontractor as a part of a Contract with the State.

2. Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits; then
 - 2.3.7 Any other documents referenced or included in the Solicitation including, but not limited to, any Bid or Offer documents provided by the Contractor that do not fall into one of the above categories.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.



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- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation, stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Continuous Improvement. Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. State may require Contractor to engage in continuous improvements throughout the term of the Contract.
- 3.8 Other Contractors. State may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.
- 3.9 Ownership of Intellectual Property
- 3.9.1 Rights In Work Product. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.



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3.9.2 “Government Purpose Rights” are:

- 3.9.2.1 the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;
- 3.9.2.2 the right to release or disclose that work product to third parties for any State government purpose; and
- 3.9.2.3 the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.

3.9.3 “Government Purpose Rights” do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.

3.9.4 Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.

3.9.5 Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:

- 3.9.5.1 any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;
- 3.9.5.2 any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and
- 3.9.5.3 except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor’s or its affiliates’ ownership of such pre-existing Materials.

3.9.6 Developments Outside Of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.

3.10 Property of the State. If there are any materials that are not covered by Section 3.9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.11 Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.



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- 3.12 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.
- 3.13 Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.
- 3.14 Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
- 3.15 Artificial Intelligence (AI) Prohibitions. Consistent with State policy, if Contractor supplies AI Services or Materials (either directly or through Subcontractors or the sale of licenses), such as research, development, training, implementation, deployment, maintenance, provision, or sale of AI systems, then Contractor is prohibited from using State of Arizona Materials or Data in generative AI queries or for building or training proprietary generative AI programs unless explicitly approved in advance by the State in writing.
- 3.15.1 Contractor shall also disclose the utilization of generative AI before producing works owned by the State and/or integrating generative AI into Materials or Services used by the State.
- 3.15.2 Contractor shall perform due diligence to ensure proper licensure of model training data for all generative AI services throughout the life of the Contract.
- 3.16 Certifications Required by State Law.
- 3.16.1 If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq.* and will refrain from any such boycott for the duration of this Contract.
- 3.16.2 Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

4. Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. ("free on board") Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Firm, Fixed Price. Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.
- 4.4 Applicable Taxes
- 4.4.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.4.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.



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4.4.3 Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.4.4 IRS W9 Form. In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.5 Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current State Fiscal Year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State Fiscal Year until funds are made available for performance of this Contract.

4.6 Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:

4.6.1 Accept a decrease in price offered by the Contractor;

4.6.2 Cancel the Contract; or

4.6.3 Cancel the Contract and re-solicit the requirements.

5. Contract Changes

5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of Services or Materials, the revision of payment terms, or the substitution of Services or Materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer as described in Arizona State Procurement Office Standard Procedure 002. The Contractor shall clearly list any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1 Risk of Loss. The Contractor shall bear all loss of conforming Materials covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming Materials shall remain with the Contractor regardless of receipt.



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6.2 **Indemnification**

6.2.1 **Contractor/Vendor Indemnification (Not Public Agency).** To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.2.2 **Public Agency Language Only.** Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

6.3 **Indemnification - Patent and Copyright.** The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of Materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this paragraph shall not apply.

6.4 **Force Majeure.**

6.4.1 Except for payment of sums due, neither the Contractor nor State shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-intervention-acts, failures or refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment, Materials, or Services caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;



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6.4.2.2 Late performance by a Subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any Subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either the Contractor or State is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1 Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in the Special Terms and Conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the Materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the Materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged, and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Conformity to Requirements.

7.3.1 Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:

7.3.1.1 Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;

7.3.1.2 Be free from defects of material and workmanship;

7.3.1.3 Conform to or perform in a manner consistent with current industry standards; and



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7.3.1.4 Be fit for the intended purpose or use described in the Contract.

7.3.2 Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until State's explicit acceptance of the Materials or Services.

7.4 Inspection/Testing. The warranties set forth in this Section 7 [Warranties] are not affected by inspection or testing of or payment for the Materials or Services by the State.

7.5 Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.

7.6 Compliance With Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.

7.7 Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.

7.8 Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.

7.9 Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.3 [Assignment and Delegation] that expressly recognizes the event.

7.10 Performance in Public Health Emergency. Contractor warrants that it will:

7.10.1 Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:

7.10.1.1 Identification of response personnel by name;

7.10.1.2 Key succession and performance responses in the event of sudden and significant decrease in workforce; and

7.10.1.3 Alternative avenues to keep sufficient product on hand or in the supply chain.



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7.10.2 Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under paragraph 6.4 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.

7.10.3 A request from the State related to this paragraph 7.10 does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.

7.10.4 Failure to have or implement an appropriate plan will be a material breach of contract.

7.11 Lobbying

7.11.1 Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, *et seq.*, using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. Contractor shall implement and maintain adequate controls to assure compliance with above. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.

7.11.2 Exception. This paragraph 7.11 does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.

7.12 Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.

7.13 Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.

7.14 False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement, or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.

7.15 Survival of Rights and Obligations after Contract Expiration or Termination

7.15.1 Survival of Warranty. All representations and warranties made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.



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7.15.2 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.15.3 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2 Stop Work Order.

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. Materials or Services supplied under this Contract shall fully comply with the Contract. The delivery of Materials or Services or a portion of the Materials or Services that do not fully comply constitutes a breach of contract. On delivery of nonconforming Materials or Services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the



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notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

- 9.2 **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State with the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three (3) times the value of the Gratuity offered by the Contractor.
- 9.3 **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a Subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.
- 9.4 **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.
- 9.5 **Termination for Default.**
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, Materials, documents, Data, and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, Materials or Services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring Materials or Services in substitution for those due from the Contractor.
- 9.6 **Continuation of Performance Through Termination.** The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

	Uniform Terms and Conditions REQUEST FOR PROPOSAL No.: BPM006898 HANDS Maintenance and Operation Support	ARIZONA DEPARTMENT OF HEALTH SERVICES 150 North 18th Ave, Suite 530 Phoenix, AZ 85007
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11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).