Department of Administration / Division of Purchases
One Capitol Hill, Providence, Rhode Island 02908-5855
Web Site: www.purchasing.ri.gov
3 January 2012

Addendum # 4

RFP # 7449255

TITLE: **REQUEST FOR PROPOSALS FOR TRANSITION, ENHANCEMENT, OPERATION, AND MAINTENANCE OF THE MEDICAL MANAGEMENT INFORMATION SYSTEM**

SUBMISSION DEADLINE: EXTENDED TO **23 MARCH 2012 @ 11:30 AM** (EASTERN TIME)

- **This addendum answers some of the vendor questions received to date. Additional questions, received prior to the December 19th deadline, are being answered and that information will be posted in a subsequent addendum.**
- **A sample agreement, similar to what will be negotiated with the selected service provider, is offered in this addendum.**
- **Given the nature of some of the questions received, the State has decided to schedule a second pre-proposal meeting to stimulate further discussion and to clarify the State's desire to obtain adequate market representation.**

PRE-BID/ PROPOSAL CONFERENCE: Yes Date: 18 January 2012 Time: 2:00 PM
Mandatory : No
Location: Department of Administration / Conference Room A (2nd floor), One Capitol Hill, Providence, RI

- The opportunity to ask questions prior to the 18 January 2012 conference has been authorized. Questions concerning this solicitation may be e-mailed to the Division of Purchases at questions@purchasing.ri.gov no later than 13 January 2012 @ 12:00 Noon (ET). Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP / LOI / BID # on all correspondence Questions received, if any, will be posted on the Internet as an addendum to this solicitation It is the responsibility of all interested parties to download this information

- **Updated RI MMIS Procurement Schedule**
  The procurement schedule for RFP #7449255, Request for Proposals for Transition, Enhancement, Operation, and Maintenance of the Medicaid Management Information System has been updated as shown in the following Table Any changes to this schedule will appear in a subsequent addendum

Activity	Anticipated Date
RFP Issued	November 21, 2011
Mandatory Bidder's Conference	December 7, 2011 (1:30 PM ET)
Notice of Intent to Submit a Proposal Due	December 12, 2011 (1:00 PM ET)
Closing Date for Written Questions	December 19, 2011 (3:00 PM ET)
Responses Posted to Bidder's Conference Questions	January 3, 2012
Response to Written Questions and Addendum to RFP Posted	January 9, 2012 **AND** after January 18, 2012
Closing Date for Receipt of MMIS Proposals/Bid Opening	March 23, 2012 (11:30 AM ET)
Oral Presentations	At State's option (TBD)
Bidder Selection; Notification of Intent to Award MMIS FA Contract	April 20, 2012

Jerome D. Moynihan, C P.M., CPPO
Assistant Director for Special Projects

7449255 MMIS Vendor Questions / State Responses

Q: The (first) takeover/transition period may not be long enough. Are you willing to consider a takeover/transition period other than nine (9) months?
A. Yes, we believe nine months is sufficient, but we are willing to consider alternatives.

Q: You have structured the RFP so that a new vendor cannot bill for any costs incurred during the first takeover/transition period.
A: That is correct. However, a new vendor can include any costs incurred during this period in its pricing for other aspects of the RFP – e.g., maintenance and operations.

Q: Can the new vendor charge for costs incurred for services provided during the second takeover/transition period (if one is needed)?
A: Yes, see Section 5.7.

Q: How will you ensure that the current Fiscal Agent (FA) cooperates with the new FA during the takeover/transition period?
A. We have a firm contract in place with the current FA to do just that. The State will monitor the situation very carefully and take appropriate action if necessary.

Q: The way the RFP is structured gives a cost advantage to the current FA. Are you willing to re-structure that aspect of the RFP?
A: Yes, we are willing to consider alternatives. However, the incumbent almost always has an advantage of not needing to incur start-up costs. We have structured the RFP to allow five (5) years to amortize these start-up costs as well as the potential for a contract extension of up to three (3) years. Despite this, cost is only one factor the State will look in determining which vendor offers the State the most advantageous proposal. We do not have to select the lowest responsive bidder for this procurement.

Questions Related to Rhode Island
Request for Proposals for Transition, Enhancement, Operation, and Maintenance of the Medicaid Management Information System RFP #7449255

Question No.	RFP Section	RFP or Appendix Page	Question	Response
1	General	General	Will the State respond to questions as they receive them or hold them until after they receive all questions on January 7, 2012?	**The State will respond to answers as they are received.**
2	1.2, 2.1, 8.1, M.1	Cover page, 2, 6, 245, 346	Several key dates listed throughout the RFP are inconsistent with the Procurement Schedule listed in Section 1.2, p. 1 and 2 as shown below. Would the State please provide a clarified procurement schedule, and re-issue Appendix M.1, Mandatory Technical Proposal Requirements Checklist, to prevent confusion for evaluators who will inspect final bidder proposals. **Bidder's Conference**: Section 1.2, December 7, 2011/Appendix M.1: November 16, 2011 **Bidder's Notice of Intent to Submit a Proposal**, Section 1.2, December 12, 2011/Appendix M.1: November 21, 2011 **Proposal Due Date**. Section 1.2;	**The dates included in Appendix M.1 are incorrect. An addendum including actual revised dates will be released.**

Question No.	RFP Section	RFP or Appendix Page	Question	Response
			February 4, 2012/Section 2.1: February 6, 2012/Appendix M.1: January 15, 2011	
[redacted]	2.14	10	The RFP states that when awarding the State "may waive informalities or irregularities to act in the State's interest." Please define specifically what is meant by the terms "informalities or irregularities."	That question can't be answered unless a specific issue is addressed. What the State WILL NOT waive is bid tardiness. Make sure the proposals are received within the submission window.
4	3.3.1	21	This section states EOHHS is responsible for the FA contract and day-to-day operations, yet RFP section 9.2.47, page 279, states that governance of the engagement is through the office of the CIO. Please elaborate on the role of the office of the CIO.	**EOHHS will be responsible for the FA contract and day-to-day operations.**
5	4.1.2	38	RFP requests that a signed cover page be included with each copy of the technical and cost proposals. Please define the term "cover page." Is this the binder cover or the first page of the document inside the binder?	The cover page is the first page inside the binder and not the binder cover.
6	4.2	40	The RFP states that bidders must submit five hard copies of the technical proposal. One hard copy of the technical proposal must contain	**Yes. Bidders are to submit one original copy with original signatures and 4 hard copies.**

Question No.	RFP Section	RFP or Appendix Page	Question	Response
			original signatures. To confirm, are bidders to submit (1) original and (4) hardcopies of the Technical Proposal?	
7	11.3	60 and 61	Sections 11.3.2, 11.3.3, and 11.3.4 are referenced but not included in the RFP. Should bidders assume that 11.3.2-11.3.4 refers to Sections O.4, O.5, and O.6?	**Yes. Sections 11.3.2 – 11.3.4 refer to Appendices O.4-O.6 respectively.**
8	Appendix E	312	The RFP does not specifically state where a completed copy of Appendix E, Subcontractor Compliance, should be included within the proposal. Should the completed and signed copy of Appendix E, Subcontractor Compliance, be appended to the Transmittal Letter along with other Subcontractor information that is to be included in the Transmittal Letter?	**Response and signature of Appendix E should be included in section 4 of the Technical Response along with all other notices and certifications.**
9	Appendices	343-344	These pages were left blank. Is there missing information or was this intentional?	**These pages were left blank. There is no missing information.**
10	Appendix M.1	357	The RFP requests that Appendix O.1-O.7 be signed; however, there is no signature, title, and date line. Please clarify if original signatures are required on completed Appendix O.1 through O.7.	**Appendices O.1 – O.7 should include original signatures. An updated Appendix O.1 – O.7 with a signature line will be released.**
11	Appendix M.2, and	358, 63	Checklist M.2, Mandatory Cost Proposal Requirements Checklist,	**The checklist in Appendix M.1 mistakenly reads**

Question No.	RFP Section	RFP or Appendix Page	Question	Response
	4.3.1		states that a three-page Executive Summary should be included as Section 1 of the *Technical* Proposal; however, on pg. 63, the RFP states that a three-page Executive Summary should be included as part of the *Cost* Proposal. Please confirm that Bidders should include the three-page Executive Summary in the Cost Proposal as indicated in Section 4.3.1. And if this is correct, would the State please re-issue the M.2 Mandatory Cost Proposal Requirements Checklist to match the requirement in 4.3.1 to prevent confusion for evaluators who will inspect final bidder proposals?	**"section 1 of the Technical Proposal". It should read "section 1 of the Cost Proposal". An updated checklist M.2 will be reissued**
12	Appendices O.1 to O.7	374	In response to Appendices O.1 to O.7, would the State please clarify if bidders must provide a detailed description of how they will meet or perform the line item tasks associated with each Appendix, or is an acknowledgment of the requirement sufficient?	**The State expects Bidders to confirm the requirement and provide a narrative on how the Bidder plans to meet the Service Levels indicated.**

Agreement for the Transition, Enhancement, Operation and Maintenance of the State of Rhode Island Medicaid Management Information System

This Agreement for the Transition, Enhancement, Operation and Maintenance of the State of Rhode Island Medicaid Management Information System ("Agreement") is made as of the __ day of _____, 2012 (the "Effective Date"), by and between the State of Rhode Island and Providence Plantations acting by and through the Office of Health and Human Services (the "Department") and _____, a _____ organized and existing under the Laws of _____ (the "Fiscal Agent").

Background

On _____, the Department issued its Request for Proposals for the Transition, Enhancement, Operation and Maintenance of the State of Rhode Island Medicaid Management Information System, including all Appendices (the "RFP").

On _____, the Department issued its responses to bidders' conference questions (the "Responses").

On _____, the Department issued its Addendum to the RFP, incorporating the Responses and other amendments to the RFP (the "Addendum"). Hereinafter, all references to the RFP mean the RFP as amended by the Addendum. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the RFP.

On _____, the Fiscal Agent presented its Proposal in response to the RFP (the "Proposal").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

1. Agreement; Order of Precedence; Presumptions.

a. This Agreement incorporates the RFP and the Proposal in their entirety as if set forth in full herein. Subject to applicable laws, regulations and policies of the United States, and subject to applicable laws, regulations and policies of the State of Rhode Island, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. This Agreement may not be amended except by a change order for a Special Project (as hereinafter defined) or an amendment executed by both parties hereto.

b. In the event there is a conflict between the documents comprising this Agreement, the following order of precedence shall apply:

i. Applicable Federal and State of Rhode Island laws, regulations and policies;

ii. The terms and conditions in the body of this Agreement;

iii. Amendments to this Agreement;

iv. Any change order for a Special Project;

v. The RFP; and

vi. The Proposal.

c. If there is an internal conflict between provisions in any document referenced above (including, without limitation, conflicts involving Section 9.2 and/or Appendix A of the RFP), the provision which is more favorable to the Department, whether general or specific, shall control.

d. Notwithstanding any rules of contractual interpretation which give precedence to specific statements over general statements, and without limiting the generality of the RFP, the Fiscal Agent acknowledges and agrees that: (i) it is obligated to transition, operate and maintain all of the current MMIS functionality, notwithstanding any omission and/or lack of specificity regarding such functionality in the RFP or the Bidder's Library which is a part thereof; (ii) it shall be responsible at no additional compensation for the following, including the assumption of all costs: (1) obtaining and/or maintaining Federal certification, as more completely described in Section 5.6 of the RFP, (2) paying any damages arising from a failure to obtain or maintain Federal Certification, as more completely described in Section 9.2.76 of the RFP

e. Any specific references in the body of this Agreement to any provision of the RFP are for the convenience of the parties and are not intended to, and do not, affect the applicability of any other provisions of the RFP.

2. Term; Extension. Subject to earlier termination as provided herein, the term of this Agreement shall extend from the date hereof until the fifth (5th) anniversary of the date hereof. Options shall be as set forth in Section 9.2.63 of the RFP.

3. Project Management; Transition; Implementation; Maintenance, Operation; Modifications; Enhancements; Turnover; Changes.

a. From the Effective Date until the Implementation Date (as hereinafter defined), the Fiscal Agent shall take all steps necessary to implement the MMIS until it is fully operational (as such term is defined in Section 5.3.5 of the RFP) and fully responsible for processing all claims received after the Implementation Date. The date the Fiscal Agent implements a fully operational MMIS and begins processing all claims is hereinafter defined as the "Implementation Date" The determination of whether the MMIS is fully operational shall be made by the Department in its sole discretion, provided that if the Department determines that the MMIS is not fully operational, the Department shall submit to the Fiscal Agent a written statement, with reasonable specificity, setting forth the basis for such determination.

b. The Fiscal Agent acknowledges and the RFP contemplates that Bidder's preliminary work plans for project management, transition and implementation incorporated in the Proposal will be subject to adjustment, including without limitation the implementation of specific requirements arising from meetings with the Department subsequent to the execution of this Agreement. Without limiting the generality of the foregoing, such work plans must allow for sufficient testing of the MMIS prior to the Implementation Date. All such plans as referenced in Sections 5.2 and 5.3 of the RFP are subject to the prior written consent of the Department. Except as expressly set forth in writing by the Department specifically authorizing an extension in the form of an amendment to this Agreement, any approval by the Department of any DED (as such term is defined in Section 5.2.3 of RFP) or any change thereto shall not operate to extend the Implementation Date. If the Fiscal Agent fails to provide a deliverable in accordance with a DED or a deliverable is provided and rejected and not corrected within the time frames agreed to in writing by the Department, and the Department determines in its reasonable discretion that such failure may delay the Implementation Date, the Department may, in addition to any other remedies it may have under this Agreement (including without limitation Section 3(c) of this Agreement), assess damages of _____ for each day each such deliverable is late.

c. If the Implementation Date is extended , the Fiscal Agent shall be liable for all direct and indirect losses, costs and/or expenses of any type incurred by the Department arising directly or indirectly from such failure, including without limitation: (i) payments to the provider of the existing Medicaid Management Information System ("Existing MMIS") to continue the Existing MMIS; (ii) reimbursement for any costs incurred by the Department arising from such failure, including without limitation employee and/or contractor costs; (iii) losses caused by the inability or unwillingness of the provider of the Existing MMIS to continue the Existing MMIS; (iv) savings and efficiencies lost from the delay in implementing the MMIS and/or (v) fines, penalties and/or assessments charged against the Department by any governmental entity, including without limitation any reduction in expected reimbursement rates, arising directly or indirectly from the failure to comply with any mandated requirements. The Department may direct the Fiscal Agent to make payments directly to the provider of the Existing MMIS or reimburse the Department for such payments

d. Upon the Implementation Date and continuing thereafter for the term of this Agreement, the Fiscal Agent shall operate and maintain the MMIS as provided in the RFP. Without limiting any other remedy which the Department may have under this Agreement, the Fiscal Agent is subject to deductions from its compensation as set forth in Appendix J to the RFP.

e. The parties may agree to modification to the MMIS pursuant to the process set forth in Section 5.4.3 of the RFP. Maintenance is included in the Fiscal Agent's compensation submitted in the Fiscal Agent's completion of Schedule C to the RFP in Fiscal Agent's Proposal. The cost of the first two thousand (2,000) hours of modifications over the five-(5) year contract period, beginning with the Implementation Date, are included in the Fiscal Agent's compensation submitted in the Fiscal Agent's completion of Schedule C to the RFP in Fiscal Agent's Proposal. The cost of modifications not included in the two thousand (2,000) hours of modifications is paid pursuant to the hourly rate set forth in the Fiscal Agent's compensation submitted in the Fiscal Agent's completion of Schedule C to the RFP in Fiscal Agent's Proposal. Payment shall be made on a monthly basis, within thirty (30) days of receipt of the Fiscal Agent's invoice and

reasonable supporting documentation. If the Department disputes any invoice, the Department shall pay the undisputed portion and shall pay the disputed portion when all disputes are resolved. With respect to any modification for which the hourly rate is being charged, the Department may retain twenty-five percent (25%) of each payment until such modification has been approved. As part of the modification process, the Department may impose liquidated damages to be specified for each such modification for failure to complete any modification in the time agreed to by the parties, provided, that where modifications are required by governmental mandate, the Fiscal Agent shall at a minimum be responsible for any loss or damages suffered by the Department, including without limitation any reduction in reimbursement rates, due to the failure and/or delay to comply with such mandate. The Fiscal Agent agrees to undertake the balance of the modifications for the implementation of the ICD-10 code set and associated 837 modifications to be performed as of the Implementation Date, in accordance with the schedule referenced in Section 5 4 3 of the RFP, as it may be amended by the Department.

f. The Fiscal Agent shall perform the enhancements described in RFP. The Department may condition the payment of compensation for each enhancement upon completion of certain milestones as agreed by the parties. In any case, the Department may retain twenty-five percent (25%) of each payment until such enhancement has been approved by the Department. As part of the enhancement process, the Department may impose liquidated damages to be specified for each such enhancement for failure to complete any enhancement by the date required by governmental mandate, provided, that where enhancements are required by governmental mandate, the Fiscal Agent shall at a minimum be responsible for any loss or damages suffered by the Department, including without limitation any reduction in reimbursement rates, due to the failure and/or delay to comply with such mandate.

g. The Fiscal Agent shall complete the turnover activities set forth in Section 5.7. Without limiting the generality of Section 5.7, the Fiscal Agent shall transfer to the Department or the new fiscal agent all software necessary to operate or maintain the MMIS without any cost to the Department or the new fiscal agent all software, including without limitation (1) all third party software licenses and/or (2) all other software which is not already subject to the provisions of 45 CFR §95 617. If the Department in its reasonable discretion determines that the Fiscal Agent has failed to fulfill its turnover obligations as of the expiration of this Agreement, this Agreement shall continue, and the Fiscal Agent shall continue to operate and maintain the MMIS until the Department has determined that the Fiscal Agent has fulfilled its obligations, but the Fiscal Agent shall receive no compensation during this period and shall be liable to pay the Department for all losses, costs and/or damages which the Department would have been entitled to deduct from such compensation.

h. For all such losses, costs, expenses and/or damages assessed pursuant to subsections (b) and (c) of this Section 3, the Department shall submit an invoice to Fiscal Agent with reasonable supporting documentation, and Fiscal Agent shall pay such invoice within ten (10) days of receipt. Overdue amounts shall bear interest at the rate of twelve percent (12%) per annum. Should the Fiscal Agent fail to pay any such amounts, the Department, without waiving any other remedies it may have, may withhold such amounts (including interest) from payments due the Fiscal Agent, in whole or in part in the Department's discretion, once the MMIS is fully

operational, until all such amounts are paid in full. For all such losses, costs, expenses and/or damages assessed pursuant to subsections (d), (e) and (f) of this Section 3, the Department, without waiving any other remedies it may have, may withhold such amounts (including interest) from payments due the Fiscal Agent, in whole or in part in the Department's discretion, once the MMIS is fully operational, until all such amounts are paid in full.

i. No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given in this Agreement, now or hereafter existing, at law or in equity or by statute or otherwise. The election of any one or more remedies by either party shall not constitute a waiver of the right to pursue other available remedies.

j. The Department may permit changes in the scope of services, time of performance, or approved budget of the Fiscal Agent to be performed hereunder. Such changes, which are mutually agreed upon by the Department and the Fiscal Agent, must be in writing and shall be made a part of this Agreement by numerically consecutive amendment. Amendments do not include "Special Projects". "Special Projects" are defined as additional services available to the Department on a time and materials or per diem basis as negotiated by project or activity. These activities, which are anticipated to be in support of state health care initiatives, may include enhanced professional services, clinical expertise, technical support to eliminate department backlogs, outreach efforts, etc. The parties understand that these may include funding from state-only programs and grants. The change order will specify the scope of the change and the expected completion date. Any change order shall be subject to the same terms and conditions of the contract unless otherwise specified in the change order and agreed upon by the parties. The parties will negotiate in good faith and in a timely manner all aspects of the proposed change order.

k. The Department reserves the right to require performance and payment bonds pursuant to Section 33 of Appendix A of the RFP.

4. Compensation.

a. The Department shall authorize no payments for takeover and/or transition activities. Payment under this Agreement shall not commence until the first contract year, which commences with the Implementation Date.

b. The Department shall authorize no payments other than: (i) the MMIS System Operations Price, (ii) payment for authorized Special Projects and (iii) payment for modification hours approved by the Department.

c. All such compensation is subject to the deductions, reductions and/or offsets which the Department is entitled to take against such compensation under the terms of this Agreement.

5. Termination; Default Without Termination.

a. The provisions for termination of this Agreement are set forth in Section 9.2.26 of the RFP.

b. If the Fiscal Agent is in breach of this Agreement such that the Department has the right to terminate this Agreement, the Department may, in its sole discretion, without terminating this Agreement, and without waiving the right to terminate this Agreement in the future for the existing default, take any or all of the following actions upon notice to the Fiscal Agent: (i) in general, exercise any rights available to a non-defaulting party under law and equity; (ii) require the Fiscal Agent to continue to perform all or any part of this Agreement as the Department deems the Fiscal Agent able to perform; (iii) retain third parties, at Fiscal Agent's expense, to perform all or any part of this Agreement the Department deems the Fiscal Agent unable to perform; (iv) seek and enter into negotiations with third parties to replace the Fiscal Agent at such time as the Department terminates this Agreement; (v) direct the Fiscal Agent to make available to all such third parties the resources necessary to perform the tasks for which they are being retained; (vi) require the Fiscal Agent to waive any contractual or other provisions which would prevent employees of the Fiscal Agent from accepting an employment or consulting relationship with such third parties; (vii) withhold any amounts due to Fiscal Agent in an amount equal to the Department's damages for such default and/or (viii) seek recovery of such damages in excess of the amounts withheld pursuant to subsection (vii)

6. General.

a. The Fiscal Agent shall not assign any interest in this Agreement (whether by assignment or novation) without the prior written consent of the Department thereto; provided, however, that claims or money due or to become due to the Fiscal Agent from the Department under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Department.

b. This Agreement is deemed executed and delivered in the City of Cranston, State of Rhode Island, and all questions arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island.

c. It is understood and agreed that nothing herein is intended or should be construed in any manner as creating or establishing the legal relation of partnership between the parties hereto, or as constituting the employees, agents, or representatives of the Fiscal Agent included in this Agreement as employees, agents, or representatives of the Department.

d. It is understood and agreed that in the event that less than the full amount of Federal funding requested by the State of Rhode Island or other funding is received by the Department due to failure of the Fiscal Agent to comply with the terms of this Agreement, the Fiscal Agent is liable to the State of Rhode Island for an amount equal to the amount of the denied funding. The amount of the denied funding shall be payable upon demand of the Department.

e. The Fiscal Agent agrees to make accessible and to maintain all fiscal and activity records relating to this Agreement to State and/or Federal officials necessary to verify the accuracy of the

Fiscal Agent's invoices or compliance with this Agreement including all Fiscal Agent responsibilities. This requirement is also intended to include any auditing, monitoring, and evaluation procedures, including on-site visits, performed individually or jointly, by State or Federal officials of their agents necessary to verify the accuracy of the Fiscal Agent's invoices or compliance with this Agreement including all Fiscal Agent responsibilities. If such records are maintained out of the State of Rhode Island, such records shall be made accessible by the Fiscal Agent at a Rhode Island location. Minutes of Board of Directors meetings, fiscal records, and narrative records pertaining to activities performed will be retained for audit purposes of a period of at least three (3) years following the submission of the final expenditure report for this agreement or, if audit findings have not been received at the end of the three (3) years, the records shall be retained until resolution of the audit findings are made.

f. The Fiscal Agent agrees that any capital assets purchased on behalf of the Department on a passthrough basis and used on behalf of the Department by the Fiscal Agent shall upon payment by the Department, become the property of the Department unless otherwise agreed to by the parties and may be utilized by the Fiscal Agent in a reasonable manner. Capital assets are defined as any item having a life expectancy of greater than one (1) year and an initial cost of greater than five thousand dollars ($5,000) per unit, except greater than five hundred dollars ($500) per unit for computer equipment. Upon written request by the Department, the Fiscal Agent agrees to execute and deliver to the Department a security interest in such capital assets in the amount of the value of such capital asset (or for a lesser amount as determined by the Department).

g. The Fiscal Agent must submit an acceptable audited financial statement prepared by an independent auditor within nine (9) months of the end of the Fiscal Agent's fiscal year. The audit must provide full and frank disclosure of all assets, liabilities, changes in the fund balances, and all revenue and all expenditures. The audit must be performed in accordance with OMB Circular A-133 and with "Government Auditing Standards" as published by the Comptroller General of the United States. The audit must address areas of compliance and internal controls as outlined in the circular. If a management letter is also issues as a part of the audit that must be submitted as well.

h. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

i. No modification or waiver of any provision of this Agreement nor consent to any departure by the Fiscal Agent therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Neither any failure nor delay on the part of the Department in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or future exercise, or the exercise of any other right, power or privilege.

j This Agreement shall take effect upon the issuance of a purchase order by the State's chief purchasing officer or his/her designee.

k. The parties shall use good faith efforts to cooperatively resolve disputes and problems that arise in connection with this contract. When a dispute arises between the Department and the Fiscal Agent, both parties will attempt to resolve the dispute pursuant to this subsection. When a dispute arises, the party initiating the dispute shall notify the other party in writing of the dispute, with the notice specifying the disputed issues and the position of the party submitting the notice. The Department's project manager and Fiscal Agent's account manager shall use good faith efforts to resolve the dispute with ten (10) business days of submission by either party to the other of such notice of the dispute. If the Department's project manager and Fiscal Agent's account manager are unable to resolve the dispute, either party may request that the dispute be escalated for resolution to either the Executive Office of Health and Human Services Secretary or the Director of the Department of Administration/office of purchases or his or her designee. The dispute resolution notice to the State of Rhode Island must be in writing and shall specify the disputed issues, the position of the party submitting the notice and the requesters understanding of the relative positions of the parties. The Fiscal Agent shall be afforded an opportunity to be heard and to offer evidence in support of its position. The State's agreement administrator shall commit his/her decision to writing within ten (10) business days and serve a copy on the Fiscal Agent. Pending final administrative determination of any dispute hereunder, the Fiscal Agent shall proceed diligently with the performance of the provisions of this contract and in accordance with the direction of the State's agreement administrator so long as all undisputed Department payment obligations are being met. The decision of the State of Rhode Island shall be final and conclusive subject to the Fiscal Agent's right to relief as provided by Rhode Island Law

[signature lines appear on the next page]

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands as of the date first above written and the Agreement made legally binding as follows:

State of Rhode Island and Providence
Plantations acting by and through the
Office of Health and Human Services

_____

[Fiscal Agent]

By_____

Date:_____

By_____

Date:_____

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