Commonwealth of Kentucky
CONTRACT

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Effective From: 07/01/2026 **Effective To:** 06/30/2028

Line Item	Delivery Date	Quantity	Unit	Description	Unit Price	Contract Amount	Total Price
1		0.00000		FY27	$0.000000	$774,965.00	$774,965.00

Extended Description:

The Vendor shall work collaboratively with DMS and the MCOs in developing all processes of evaluation which requires the establishment of various workgroups that will focus on specific issues. The overall goal of DMS' managed care program is to improve health service delivery within Managed Care Organizations (MCOs) in Kentucky. State Medicaid agencies are required under federal law 42 CFR 438 to contract with an independent External Quality Review Organization (EQRO) for performing an annual External Quality Review (EQR) for each contracting Managed Care Organization (MCO).

Funding: 75% Federal / 25% State
CFDA # 93.778

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Effective From: 07/01/2026 **Effective To:** 06/30/2028

Line Item	Delivery Date	Quantity	Unit	Description	Unit Price	Contract Amount	Total Price
2		0.00000		FY28	$0.000000	$798,214.00	$798,214.00

Extended Description:
Funding: 75% Federal / 25% State
CFDA # 93.778

TOTAL CONTRACT AMOUNT	$1,573,179.00

PERSONAL SERVICE CONTRACT FOR

External Quality Review Organization

THE COMMONWEALTH OF KENTUCKY

Issued by

The Cabinet for Health and Family Services
Office of Administrative Services
Division of Procurement and Grant Oversight

BETWEEN

Department for Medicaid Services

AND

IPRO
300 Jericho Quadrangle, Suite 300
Jericho, NY 12345

This Personal Service Contract (PSC) is issued by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Division of Procurement and Grant Oversight, on behalf of Department for Medicaid Services ("the Commonwealth") with IPRO ("the Contractor"). The initial PSC is effective from 07/01/2026 through 06/30/2028.

Per the solicitation, the Commonwealth reserves the right to renew this Contract for up to two (2) additional two-year periods.

REQUEST FOR PROPOSAL:	RFP 746 2600000118
INITIAL CONTRACT:	PON2 746 2600004367 – 07/01/2026-06/30/2028

The Commonwealth and Contractor agree to the following:

SECTION 1 – SCOPE OF CONTRACT

1.00 Purpose and Background

State Medicaid agencies are required under federal law (42 CFR 438) to contract with an independent External Quality Review Organization (EQRO) to conduct an annual External Quality Review (EQR) for each contracting Managed Care Organization (MCO). The Commonwealth of Kentucky has five (5) MCOs. Federal law permits State Medicaid programs to contract with an EQRO to perform other EQR activities. The Department for Medicaid Services (DMS) has approved optional section requirements under 42 CFR 438, Section E, and 42 CFR 433. The annual review and activities conducted by the EQRO will assist DMS in evaluating Medicaid managed care beneficiaries' access to timely, high-quality care and in developing quality improvement strategies to address identified deficiencies.

The Balanced Budget Act of 1997 (BBA) directed the Department for Health and Human Services (DHHS) to develop protocols to be used to fulfill the statutory requirement for the external, independent review of the quality outcomes and timeliness of, and access to, services provided by Medicaid managed care organizations. In response to the BBA requirement, protocols along with an appendix to the protocols were developed. DHHS' final rule on Medicaid managed care organizations states that the EQR activities must follow the protocols for any Centers for Medicare and Medicaid Services (CMS) required EQRO activity. Remaining protocols are for use at the option of DMS whenever a state wants information from these activities, used as a component of EQR, and enhanced Federal Financial Participation in the costs of these activities. DMS requires the EQRO to follow the CMS protocols in conducting all contracted EQR and EQR-related activities. The protocols are located at https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care/external-quality-review/index.html.

As described in the State Health Official Letter #09-013, the Children's Health Insurance Program Reauthorization Act (CHIPRA) requires that a contract between a managed care organization and Kentucky Children's Health Insurance Program (KCHIP) include an annual external review of the quality of care provided by the MCO. This review requires a qualified and independent EQRO in accordance with protocols developed by CMS. The EQRO

shall incorporate all regulatory changes or protocol additions that pertain to State CHIPs and/or Medicaid managed care programs to perform the contracted External Quality Review (EQR) activities.

1.01 Terminology

For this Contract, the following terms may be used interchangeably:

Vendor: Contractor, Offeror, The Second Party, Proposer

Issuer of Contract: Buyer

Commonwealth of Kentucky: Commonwealth, State

Fiscal Year: July 1 through June 30

Biennium: July 1 of each even-numbered year through June 30 of the next even-numbered year.

Cabinet for Health and Family Services: the Cabinet, the Department, the Agency, CHFS

1.02 Scope of Work

IPRO Shall:

1. At a minimum, review the areas of Performance Improvement, Performance Measurement and Plan Compliance.

2. Perform activities that will help the MCOs improve their performance with respect to quality, timeliness and access to care for the managed care of Kentucky Medicaid and Kentucky Children's Insurance Program (KCHIP) enrollees.

3. Assist in the monitoring and oversight of MCO quality improvement programs of the Medicaid and Kentucky Children's Insurance Program (KCHIP) enrollees.

4. Provide all services and deliverables as required, described and detailed herein, and shall meet all service and delivery timelines as specified by this Proposal.

5. Under the direction of DMS, conduct the EQRO functions. The Contractor is Responsible for meet the EQRO requirements for competence and independence as set forth in 42 CFR §438.354 and perform external quality review and other EQR-related activities as set forth in 42 CFR §438.358.

6. Produce EQR technical reports to assist DMS in identifying areas for quality improvement and ensure alignment with MCO Quality Assurance Assessment and Performance Implementation (QAPI) Plan requirements, the state's quality strategy and annual EQR activities.

7. Responsible for producing all regularly scheduled monthly, quarterly and annual reports.

8. Maintain a data platform and system to enable all functions of the EQRO. The Contractor is responsible for loading and analyzing data.

9. Provide consultation and support to DMS and the MCOs.

10. Work with DMS to calculate and stratify any required measures that apply for development and implementation of the CMS Quality Rating System requirements, which will be posted to the DMS website.

11. Contract with a National Committee for Quality Assurance (NCQA)-certified survey vendor to administer the Consumer Assessment of Healthcare Providers and Systems survey to evaluate member experience for Fee for Service members or in any capacity that fulfills any CMS requirements for compliance.

12. Establish a Project Management Framework (PMF) to support, manage, and oversee all activities specified under the EQR, ensuring timely, compliant, and high-quality project delivery consistent with Project Management Institute (PMI) standards and Cabinet governance requirements. EQRO shall consider the below, at a minimum, when establishing the Project Management Framework ("PMF"):

a. Provide certified project management professionals (PMP, PMI Agile Certified Practitioner (PMI-ACP), or equivalent) with at least 7 years of Medicaid experience to oversee assigned projects.• Develop, implement, and maintain standardized project management processes and documentation aligned with PMI Project Management Body of Knowledge PMBOK and DMS's internal policies.

b. Manage multiple concurrent project-related activities and ensure no degradation in quality, schedule adherence, or reporting accuracy.

c. Serve as the single point of coordination between project teams, vendors, stakeholders, and executive sponsors.

d. Track and report project performance metrics, schedule adherence, risks, and issues across the project.

e. Facilitate governance and status review meetings with DMS leadership as defined or requested.

1.03 Deliverables

1. Submit a detailed Project Work Plan that shall identify each milestone and deliverable no later than July 15, 2026. The detailed Project Work Plan should include, but not be limited to, the following:

a. Business improvement objectives and outcomes for the upcoming year,

b. Resource/financial changes,

c. Projects undertaken and/or major scope changes,

d. Outline of all major activities planned for the upcoming year,

e. Methodology for performing activities and meeting objectives,

f. A list of staff assigned to each task,

g. Specific deliverables associated with each task,

h. Timeframes for completion of each task,

i. Written procedures for reporting status,

j. Written procedures for approvals of changes to the project plan, and

k. A list of project milestones toward completion of the work and an estimate of planned expenditures related to the project plan milestones.

2. Coordinate a kick-off meeting with DMS within fifteen (15) business days of contract initiation to discuss the project strategy, work plan, timeline, and identify stakeholders.

3. Conduct Initial On-Site MCO Meetings – At the discretion of and on an agreed-upon date determined by DMS, the Contractor and MCO will meet by teleconference, video conference or alternative means approved by DMS. The meetings shall include, but not be limited to:

a. MCO responsibilities and requirements with the Contractor.

b. Initial assessment of each MCO’s QAPI Plan.

c. Presentation of the Contractor's Work Plan and timeline.

4. Submit a summary report to DMS within 45 working days following the MCO meeting. The summary shall include:

a. Minutes from the MCO meeting, including agenda and attendees, and

b. Summary of initial assessment of each MCO’s QAPI Plan.

1.03.01 Quality Companion Guide and Administrative Meetings

1. Conduct Administrative Meetings between the Contractor and DMS monthly or as otherwise requested by DMS.

2. Develop a Quality Companion Guide (QCG) that shall include, but is not limited to, instructions for Performance Improvement Projects (PIPs), Performance Measures (PM) specifications and validation processes.

3. Provide DMS with a copy of the Quality Companion Guide (QCG) by August 1, 2026.

1.03.02 Compliance Review

1. Establish Compliance Thresholds and review criteria tools and submit to DMS for approval no later than August 15, 2026. Work with DMS to review and validate the methodology utilized annually to ensure proper analysis of each MCO's compliance with contract standards.

2. Develop and implement a Deeming option if applicable. Provide the Deeming Strategy for DMS review by August 15, 2026. The Deeming Strategy is to include, but not be limited to:

a. Completion of a crosswalk (a method of comparison) of federal and state program requirements with National Committee for Quality Assurance (NCQA) accreditation standards.
b. Identification of opportunities when information from private accreditation agency reviews meets state and federal program requirements. The Contractor is Responsible for submitting a deeming option proposal for review to DMS, and if approved, the Contractor will provide technical assistance to DMS to implement the proposal.

c. Demonstrate knowledge of the DMS administrative compliance assessment system and comparison with other states; and

d. Use 42 CFR 438 as the authoritative source of requirements against the MCO's accreditation standards. To determine comparability, the Contractor is responsible for assessing whether each accreditation standard meets the relevant CFR in its entirety or in parts. To ensure DMS's compliance with CMS requirements, and for the related standard to be exempt from review, the MCO's score on the accreditation standard/ element must be one hundred percent (100%) of the point value during the most recent accreditation survey (within a recent three (3) year period). Otherwise, the MCO will be subject to a full review of the standard by the Contractor.

3. Prepare each MCO for a rereview by completing the following activities:

a. A conference call shall be scheduled with the appropriate staff of each MCO in conjunction with DMS to describe the process (both document review and on-site interviews) and detail the topics to be reviewed.

b. Once approved by DMS, the EQRO shall share the review criteria/tools with each MCO to ensure adequate preparation and discussion.

4. Perform Preliminary Review and conduct MCO Site Visits to complete a full compliance review annually for each MCO not accredited by NCQA or exempt in accordance with 42 CFR 438. Based on federal regulations, MCOs with evidence of national accreditation within a previous three-year period may be eligible for exemption from a review of certain administrative functions when the accrediting organization's standards are comparable to DMS requirements, and the accreditation covers the survey period under review.

Compliance on-site reviews will commence in the first week of October 2026, as directed by DMS.
For each annual review, the Contractor is responsible for:

a. Review and assess MCO compliance with state and federal standards, including but not limited to Medicaid and KCHIP managed care regulations, all other applicable sections as required by 42 CFR 438, which includes Subparts D and E, and Kentucky's MCO contract requirements regarding the following operational areas:

i. Availability and access of services.

ii. Continuity and coordination of care.

iii. Coverage and authorization of services.

iv. Establishment of provider networks.

v. Enrollee rights.

vi. Pharmacy.

vii. Enrollment and disenrollment.

viii. Grievance systems.

ix. Sub-contractual relationships and delegation.

x. Use of practice guidelines
.
xi. Health information system capabilities to ensure the MCO maintains a health information system that collects, analyzes, integrates, and reports data for areas including, but not limited to, utilization, grievances, appeals, and disenrollment for other than loss of Medicaid eligibility. The Contractor is Responsible for annually assessing the strength of the MCO's information system capabilities to include processing, collecting, and reporting data.

xii. Mechanisms to detect under- and over-utilization of services; and

xiii. Mechanisms to detect fraud and abuse.

b. Ensure the following two required main sources of information are used to determine compliance with regulatory and contract requirements:

i. Document review; and

ii. Interviews with MCO personnel.

5. Compile and analyze the annual findings.

6. Meet on-site or via tele/video conference with DMS to discuss findings within seven (7) days of conclusion of all MCO on-site reviews.

7. Provide a report to DMS detailing the results of each MCO's compliance with Federal, State, and MCO contract requirements. This shall include compliance issues, compliance ratings for regulatory provisions, and an overall finding for MCO performance, highlighting areas of deficiency with recommendations for remediation of all non-compliant findings. The report is due by December 31, 2026.

8. Make recommendations as applicable per MCO Corrective Action Plans (CAP) to assist in compliance.

1.03.03 Validation of Performance Measures

IPRO and DMS shall receive the audited MCO Healthcare Effectiveness Data and Information Set (HEDIS) performance measures by August 1, 2026. DMS may also require validating the CMS Core Set of Children and Adult Health Care Quality Measures, as well as National Quality Forum (NQF) measures.

IPRO is responsible for following CMS protocols to analyze and compare MCO data against performance targets and national benchmarks, and to rank their performance.

1. Define the scope of the validation

2. Assess the integrity of the MCO's Information System

3. Conduct a detailed review of the measures

4. Initiate review of medical record data collection.

5. Prepare MCOs for and conduct onsite visits, if applicable

6. Determine preliminary validation findings for each measure

7. Assess and document the accuracy of the performance measure reports

8. Submit validation report to DMS

9. Make recommendations to DMS on a set of performance measure specifications used by MCOs and update the data submission tool to reflect each year's data collection requirements. The performance measures are refined annually as needed or as directed by CMS to develop a core set of reliable and valid quality measures based on national standards or best practices. The Contractor is Responsible for recommending measures, benchmarks,

performance standards, and methodology improvements (including potential risk adjustment, if appropriate). The Contractor must provide research, analytical, and technical support as needed.

10. Provide DMS with the following reports no later than October 1, 2026

a. MCO-specific report of evaluation findings, comparative results, and recommendations regarding the use of Kentucky Medicaid-specific measures and HEDIS performance measures.

b. A Statewide HEDIS Analysis Report showing in aggregate the MCO performance relative to various benchmarks, along with conclusions and recommendations for improvement.

c. Comparison charts of the last three (3) years HEDIS and CAHPS data from all MCOs, including aggregate and individual MCO charts, KY state averages, and a comparison of the MCOs' HEDIS and CAHPS data in relation to the NCQA Accreditation Benchmarks.

The Contractor is responsible for providing DMS a summary of the MCO's HEDIS, CAHPS, and KY-specific measures compared to the previous three (3) year results. The Contractor is also responsible for sending DMS a summary of HEDIS and CAHPS scores in the format specified by the Adult and Child Centers for Medicare and Medicaid Services Abstraction and Reporting Tool (CART) reporting.

1.03.04 Validation of Performance Improvement Projects (PIPs)

Monitor and evaluate the quality of care and services by reviewing the PIP(s) that were underway during the preceding twelve months in accordance with 42 CFR §438.330 (b)(1). MCOs are required to perform two (2) PIPs annually, focusing on clinical and non-clinical areas, or as directed by DMS. A collaborative PIP will be determined by DMS with input from the Contractor and MCO. All PIPs shall consist of a proposal baseline, an interim, and a final determination submission.

IPRO is responsible for working with the MCOs and DMS to:

1. Select the PIP(s) based on the MCO's quality assessment and performance improvement (QAPI) program.

2. Review the study design and methodology sections of the proposal, conduct conference calls with each of the MCOs and DMS to discuss recommended changes, and develop a PIP process-tracking sheet (Attachment A-PIP Tracking Sheet). The Contractor is Responsible for updating and sharing the tracking sheet with DMS by the 15th of each month throughout the review process (September through February). The Contractor will use a template provided by DMS for the PIP process-tracking sheet or other Contractor-approved templates.

3. Develop a final PIP project proposal for each of the MCOs, incorporating any recommended changes.

4. Review the baseline, interim and final reports of all PIPs underway by the MCOs including the collaborative PIPs.

5. Utilize standard research methodology practices in validating performance improvement methodologies and results, including, but not limited to:

a. Develop a work plan for the duration of the validation process to be included as part of the annual work plan.

b. Validate any necessary background research,

c. Validate population/sample selection criteria,

d. Validate data collection methods and tools,

e. Validate any relevant data verification and ensure MCO validation,

f. Validate data analysis and interpretation process, including tables and graphics, and

g. Validate results/final reports and executive summary according to standard research reporting guidelines.

6. The collaborative PIP will follow the same review process as MCO-specific PIPs.

7. Submit a final review of all MCO-specific and Collaborative PIP Proposals with baseline data, including recommendations for changes and improvements, due November 1, 2026.

8. Submit a final review of all MCO-specific and Collaborative PIPs, Interims, and Final PIPs due January 31, 2027. The PIPs shall include scoring and confidence rating per CMS Protocol.

1.03.05 Quality of Care Focus Studies Scope of Work

1. Design and implement focus studies as determined by DMS. Focus studies may be performed for quality improvement, administrative, legislative, or other purposes.

2. Work collaboratively with DMS to develop the area of focus based on clinical or non-clinical aspects of care provided by the MCOs.

3. Submit the study proposal for DMS review and approval prior to conducting the study.

Each study proposal shall contain the following:

a. Defined study question(s),

b. Practice guidelines/standards used in the study,

c. Identification of indicators, criteria, and goals,

d. Population and sample identification, and

e. Data collection and analysis plan.

4. Follow standard research methodology practices in conducting the studies, including but not limited to:

a. Developing a work plan for the duration of the study,

b. Conducting any necessary background research,

c. Reviewing population/sample selection criteria,

d. Devising data collection methods and tools,

e. Performing any relevant data verification and validation,

f. Performing data analysis and interpretation, including the provision of tables and graphs, and

g. Developing results/final reports according to standard research reporting guidelines and with an executive summary

5. Analyze focus study findings utilizing available resources about the focus study population, the MCO(s), and the environment.

6. Produce recommendations from the focus studies for concrete actions that the MCO(s), Enrollees, and DMS can undertake to improve the health of Medicaid enrollees.

7. Submit an annual final report for each study, following standard research reporting guidelines to include an executive summary and other presentation materials, by April 30, 2027.

1.03.06 Comprehensive Evaluation and Progress Summary of the Medicaid Managed Care Program Scope of Work

1. Complete a comprehensive program review of DMS accountability strategy, monitoring mechanisms, and compliance assessment system of the DMS managed care program.

2. Compare the Kentucky Medicaid managed care regulatory program and structure with other states. Key stakeholders may include, but not be limited to, the Department for Behavioral Health, Developmental and Intellectual Disability (DBHDID), Department for Public Health (DPH), and the Department of Insurance (DOI).

3. Include results of EQR activities conducted, identify and recommend key performance measures for DMS' consideration.

4. Provide a comprehensive report of the findings as specified by DMS by May 15.

1.03.07 Access and Availability Surveys Scope of Work

1. Conduct annual surveys of, at a minimum, primary care providers and selected specialists, dentists, and behavioral health providers to assess availability and member access to providers.

Specific tasks in conducting access and availability surveys include:

a. Assist in the development of, and revisions to, the methodology used to conduct the survey.

b. Select a random sample of providers from the data provided by DMS.

c. Prepare and update scripted scenarios for surveys (approved by DMS), as necessary.

d. Conduct the telephone surveys using scripted scenarios.

e. Prepare and submit preliminary and final reports.

f. Work with DMS and the MCOs to correct discrepancies discovered.

2. Ensure the access and availability surveys are conducted telephonically to a sample of provider offices/sites by completing an average of 500 calls via a sample for each of the DMS contracted MCOs to determine access and availability for specific appointment standards, including routine appointments, non-urgent but sick appointments, and after-hours calls.

3. Make additional calls if the MCO does not achieve a 95% pass rate in satisfying the standards for access and availability. Once the MCO has had an opportunity to implement a corrective action plan, the Contractor is responsible for making additional calls to verify the implementation of the MCO's corrective action plan. The Contractor is responsible for completing the follow-up calls and including the findings in the annual activity report.

4. Provide DMS with the discrepancies identified during the survey, such as name and address changes or incorrect phone numbers, for use in auditing Provider Network Submissions.

5. Provide a summary analysis of the top ten diagnosis codes from the selected provider type by region to determine access/availability concerns geographically.

6. Provide DMS with an annual MCO-specific findings report summarizing the results of activities listed in Section 2.01.07(A)– Access and Availability Surveys, numbers 1 – 6, by June 1.

1.03.08 Validation of Managed Care Provider Network Submissions and Network Adequacy Validation: Scope of Work

The MCOs are expected to meet all applicable provider panel requirements established by DMS for their entire designated service area to ensure access to medically necessary Medicaid-covered services.

IPRO shall:

1. Conduct two (2) per year on the Audit the provider's panel information submitted by the MCOs to verify the accuracy of the data, to ensure that the MCOs are meeting provider's capacity requirements (i.e., access standards). This shall also ensure the accuracy of the provider listings in the provider directory. This shall include, but is not limited to:

a. Auditing of the MCO provider directories, both in print and online searchable directories. Information in the provider directories must match the information submitted to DMS.

b. Conducting provider telephone surveys. The Contractor will be required to contact a sample of providers to verify that the submitted information is accurate.

2. In conducting these activities:

a. Recommend that the information set, or data field be validated.

b. Develop the data collection tool and analysis plan.

c. Identify the random sample of providers.

3. Produce an MCO-specific report of the findings semi-annually. The report shall be submitted to DMS by December 30 and June 30.

1.03.09 Network Adequacy Validation

The MCOs are expected to meet all applicable provider panel requirements established by DMS across their entire designated service area to ensure access to medically necessary Medicaid-covered services.
The Contractor is Responsible for complying with the requirements of 42 CFR §438.68.

IPRO shall:
1. Audit the provider's panel information submitted by the MCOs to verify the accuracy of the data, to ensure that the MCOs are meeting the provider's capacity requirements (i.e., access standards). This shall also ensure the accuracy of the provider listings in the provider directory. This shall include, but is not limited to:

a. Auditing of the MCO provider directories, both in print and online searchable directories. Information in the provider directories must match the information submitted to DMS.

b. Conducting provider telephone surveys. The vendor will be required to contact a sample of the providers to verify if the information submitted is accurate.

2. In conducting these activities:

a. Recommend that the information set or data field be validated.

b. Develop the data collection tool and analysis plan.

c. Identify the random sample of providers.

3. Produce a MCO-specific report of the findings in PDF and Word semi-annually. The report shall be submitted to DMS no later than December 30 and June 30 of each state fiscal year during the contract period.

1.03.10 Health Plan Report Cards

IPRO shall:

Develop and submit, in collaboration with DMS, a Health Plan Report Card by July 30 for use during the Open Enrollment period. The report cards compare MCOs' scores on selected HEDIS and CAHPS measures with national NCQA percentiles, in a format determined by DMS. The report card will compare performance across the selected measures for each MCO, helping members choose an MCO.

1.03.11 Individual/Case Review

IPRO shall:

1. If requested by DMS, perform a review of all quality-of-care complaints filed with each MCO to determine whether a complete case review occurred, a quality issue remains unaddressed, or if significant findings were identified.

2. In the event DMS's determination differs from the MCO's, review the specific cases and issue a determination based upon the review of the medical record and other supporting information.

3. Function as an independent reviewer and assist DMS in resolving specific medical/quality of care complaints on a timely basis.

4. Perform case reviews when concerns arise from sources other than a complaint filed with an MCO.

5. Submit a summary of each case with an analysis of the information and rationale for the determination. Each summary shall identify the discipline of the individual(s) reviewing the case.

6. Establish a formal process for the identification of appropriate clinicians to respond to specific medical issues, and timeframes associated with the review and submission of medical determinations or opinions.

7. Provide DMS with a Case Summary report for each case reviewed to include if a quality-of-care issue exists, results from the case review, recommendations to resolve any issues found, and the discipline of the individual(s) reviewing the case. Summaries are due 30 calendar days after the case review is completed.

1.03.12 Technical Assistance for DMS and Ad Hoc Reports

IPRO shall:

Provide up to 1,000 hours of technical assistance in areas not within the regular Scope of Work outlined in this contract with DMS. DMS shall define the specific nature of the technical assistance and/or ad hoc report on a case-by-case basis.

DMS may identify topics of interest based on data provided by the MCOs. The Contractor is Responsible for producing ad hoc reports as requested by DMS. The Contractor is Responsible for providing technical assistance hours in addition to the required technical assistance and activities described in the Scope of Work. The Contractor is Responsible for reporting these hours on the quarterly invoice. Prior to commencing, the Contractor is Responsible for notifying DMS when technical assistance falls outside the Scope of Work and is chargeable at 1,000 hours. The Contractor is also responsible for providing an estimated cost of additional work prior to beginning. The Contractor can only act “upon as requested” ad-hoc reporting after DMS approval of the provided details.

Billing for technical assistance and ad hoc reports in the quarterly invoice in which the work is performed. The hours worked will be billed on an invoice that includes a description of the work, the person who performed it, the number of hours worked, the pay rate of the person performing the work, and a cumulative total of hours billed. Any technical assistance required beyond the included 1,000 hours per contract must be requested and approved through a contract modification prior to the Contractor providing assistance.

1.03.13 Project Management Oversight

IPRO shall:

Establish a Project Management Framework (PMF) for all EQRO requirements and shall meet industry standards as defined by the current version of the Project Management Body of Knowledge (PMBOK) and align with DMS’s PMF guidelines. Any variances are to be approved by DMS. The Contractor is Responsible for adhering to all DMS plans outlined in the PMF. If no plan or template is available for the task, the Contractor may use their own plan or template, provided it is approved by DMS.

Ensure that adequate documentation is maintained from project inception through planning, design, development, implementation, and closure. This includes, but is not limited to, supporting CMS-required documentation, Advanced Planning Documents (APDs) to support project funding, and any documentation required due to state- or federal-mandated changes.

Develop and maintain a comprehensive Project Work Schedule Plan for this initiative, identifying stages, tasks, milestones, deliverables, dependencies, work effort, duration, and resource assignments required for project execution. The Project Work Plan will be subject to review and approval, leveraging the Deliverable Review Process for final approval and baseline.

Delivery of scheduled updates on a weekly basis. It is expected that the Project Work Plan will be developed using Microsoft Project and stored on a DMS-approved project site.

1. Define Scope Baseline

Document and maintain a detailed Scope Statement describing all EQR-related tasks (mandatory and optional) mapped to CMS protocols, deliverables, and acceptance criteria. Scope baseline must include, at a minimum, task dependencies, responsible staff, start and end dates, and measurable outputs. All changes to project scope require prior written approval from CMS through a formal Change Request (CR) process.

2. Defining Roles & Responsibilities for Project Management

The Consultant shall develop and maintain a Responsible, Accountable, Consulted, and Informed (RACI) Matrix detailing all project roles and responsibilities.

3. Risk, Action Item, Issue, Decision and Change Management (RAID-C) Process

The Contractor shall establish and maintain a RAID-C Management Process that covers the identification, tracking, escalation, and resolution of Risks, Action Items, Issues, Decisions, and Change Requests. The process shall be documented in the Contractor's Project Management Plan (PMP) and approved by DMS prior to implementation. Always maintain an integrated RAID-C Register (consolidated log) accessible to both DMS and Contractor project teams. Update entries in real time, or at a minimum, before each scheduled status meeting. Assign a unique identifier, owner, status, and due date for each item logged. Use consistent definitions and severity/priority scales as approved by DMS. Review and reconcile the RAID-C Register during biweekly Archive all closed items for audit and contract closeout purposes.

4. Deliverable and Artifact Management

All project deliverables are expected to be traceable to the project plan and approved by DMS prior to acceptance. The Contractor shall accept that the descriptions and deliverables in this agreement do not include every possible duty, task, or intermediate deliverable necessary for success, and shall supplement as needed to achieve success in this program. The Contractor is Responsible for understanding and agreeing that any perceived lack of detail in a specific area does not indicate the Consultant has no duties in that area. The Contractor acknowledges that not every detail necessary for the success of this program appears in this agreement. Additional details and requirements necessary for the program's success shall be identified in requirements elicitation sessions. In addition, the deliverables outlined in Section 2.10, Deliverables Schedule and Descriptions, shall be considered a minimum for program success, and the Consultant can propose additional deliverables when necessary to achieve program success.

5. Deliverable Review Process:

The Contractor shall adhere to DMS's Deliverable Management Plan for all project artifacts and deliverables across the portfolio, including current and future projects. The Contractor is Responsible for managing the deliverable review process utilizing the 10-5-5 Review Cycle. 10-5-5 Review Cycle Definition: After the deliverable is submitted, CHFS has ten (10) business days to review and provide comments on the document submitted by the Consultant. The Consultant has five (5) business days from the date it receives feedback to address and update the deliverable as necessary. Once updates have been made, CHFS has an additional five (5) business days to review the updated deliverable, validate comments, and add further comments as necessary. The Consultant will be notified when comment validation is complete. If there's no resolution in the first review period, the deliverable will undergo an additional 5-3-3 review cycle. If there is still no agreement after the second review cycle, a meeting will be required to resolve outstanding disputes. The official sign-off and approval are completed once the review cycle has been finalized and all comments have been resolved.

6. Meeting and Communication Standards

To ensure coordination across multiple concurrent projects, the Consultant shall adhere to the following standards for all current and future projects referenced in the project:

Meeting Management: Maintain a master meeting schedule that identifies recurring governance, project, and stakeholder meetings. Provide agendas at least one (1) business day prior to meetings.

Distribute meeting minutes within two (2) business days after each meeting. Meeting minutes' emails are expected to include a summary in the body, listing the action items and any decisions made.

Clearly document action items, responsible parties, and due dates, decisions made, and any next steps to consider.

Meetings scheduled for any initiative referenced under the portfolio shall be scheduled under the Cabinet's network. The Consultant shall ensure all staff supporting the Cabinet's initiatives communicate through approved channels. The Consultant shall request approved accounts at the Consultant's expense, as required.

All meetings are scheduled in the Eastern Time Zone (EST).

No meetings shall be scheduled on Mondays before 1 PM or on Fridays after 1 PM to allow team members time to review deliverables, address action items, prepare for meetings, respond to emails, or perform other tasks as needed.

No meetings shall be scheduled on Mondays through Fridays from 12:00 PM to 1:00 PM to allow team members time for breaks and/or lunch.

All meetings shall end at either 25 or 55 minutes past the hour to allow attendees time to prepare for their next meeting.

For scheduling meetings with a larger audience (e.g., design sessions), the meeting invitation is to be sent at least ten (10) business days in advance.

To ensure effective use of time and resources and to prevent unnecessary duplication of effort or billing, participation of the Consultant's staff in meetings under this agreement is to be limited to only those individuals whose presence is directly necessary for the meeting's agenda, scope, or decisions. Unless otherwise approved in writing by the DMS Program Manager or Contract Administrator, no more than (3) Consultant staff members may attend any single meeting.

Consultant Staff#1: presenting project status, risk updates, and deliverable progress.

Consultant Staff#2: facilitating requirements clarification or documenting action items, managing meeting logistics, minutes, or follow-up actions.

Consultant Staff#3: providing subject matter expertise or addressing program dependencies.

Action items that are identified in meetings shall be logged, assigned, and given a due date. The default due date for action items, unless otherwise specified, is five (5) business days.

It is DMS's responsibility to notify the Consultant 24 hours in advance of any rescheduling or cancellation of a meeting. The consultant will attempt to reschedule the meeting in good faith based on the request and availability. Meeting invites that are cancelled and/or rescheduled must include the date the change was requested and the reason for the change in the invite to provide notice to attendees.

Workstream Coordination ensures alignment of schedules across all active projects to prevent resource or meeting conflicts.

Maintain a Cross-Project Calendar to coordinate milestone reviews, testing cycles, and governance sessions.

Where scheduling conflicts arise, Consultant shall prioritize in accordance with the Cabinet's direction and communicate any adjustments immediately.

Reporting Cadence:

Weekly Project Status Meetings: Cover project health, milestones, issues, and risks.

Bi-Weekly Risks, Action Items, Issues, Decisions, Changes (RAID-C) meetings.

Bi-Weekly Project Schedule Review meetings.

Monthly PMO Governance Meetings: Summarize performance metrics, cross-project dependencies, budget utilization summary, and portfolio-level risks. Provide a final report detailing the project activities and results, highlights and achievements, and a summary of the overall project efforts.

Quarterly Executive Briefings: Present overall performance, trends, and strategic recommendations.

Conduct Project Workgroup Meetings as applicable.

Conduct ad hoc meetings as needed or upon request from DMS.

7. Document Repository

The Consultant shall maintain all project documentation in the DMS-designated repository, with Cabinet staff having access. The Consultant shall support DMS in developing a document repository. The Consultant shall ensure access restrictions are applied as appropriate to documentation, such as financial or contract information. DMS designee shall approve all documentation restrictions prior to loading documents to the designated repository. Repository administrative access is limited to the DMS; however, the DMS's repository administrators will work with the Consultant to ensure that repository modifications align with the agreed-upon methodology. Any access restrictions identified shall be communicated to the DMS administrators by the Consultant.

1.03.14 Follow-up Activities

IPRO is responsible for:

Conducting all of the follow-up activities listed below as related to the external quality review of the MCOs' programs/services:

1. Verify activities to determine if problem resolution was obtained and quality improvement activities were implemented following the previous external quality reviews.

2. Address the clinical findings or health services delivery issues identified from prior external quality reviews, including, but not limited to:

a. Establishing historically accurate trends in key areas of clinical practice of interest to DMS.

b. Determining compliance or non-compliance with recommendations from previous reviews.

c. Assisting DMS in identifying clinical conditions or health service delivery issues that have the highest prevalence or incidence and for which appropriate care has the greatest potential for improving health outcomes.

d. Establishing a baseline for future assessments to see if care has improved.

3. Analyze findings for continuing action as needed.

4. Review and make recommendations for cost containment initiatives when opportunities for cost saving are identified, while monitoring activities performed for this contract. In particular, the Contractor shall include specific opportunities for quality improvement and cost savings in the summary of the Contractor review reports.

1.04 Reporting Requirements

All Reporting is to be sent to:
dms.dqph.qb@ky.gov

IPRO shall:

1. Submit all reports required by the State, CMS, or federal oversight entities. Transmittal and receipt of all data shall be via encryption or secure file transport protocol (FTP) site. Reports shall be supported by verifiable source data and audit trails.

2. Provide DMS with a final written report, which shall include an Executive Summary and key findings and recommendations for impacted stakeholders. The report shall include separate chapters for each of the required activities, referencing each of the components listed in the Scope of Work.

3. Be responsible for producing all regularly scheduled monthly, quarterly and annual reports and ad-hoc reports requested by DMS.

4. Develop report formats that meet all State and Federal reporting requirements. The Contractor shall compose the reports in a manner consistent with DMS specifications and with the Contractor's stated criteria. All report formats shall have prior approval by DMS.

5. Be responsible for ensuring complete understanding regarding the specifications and requirements for all reporting and other activities under the contract.

6. Ensure the accuracy of all reports including correct tables, charts, data, grammar, punctuation and spelling prior to providing the report in final form to DMS. The Contractor shall provide DMS with written reports that are clear, concise and useful for the intended audience.

7. Respond to all DMS requests for information concerning reports within ten (10) calendar days following request, unless otherwise agreed upon by both parties.

8. Submit monthly, quarterly, and annual status reports to DMS during the course of the contract and upon request. Reports to be generated shall not be limited to those listed below and shall include additional categories as required for State and Federal reports as described under the Scope of Work. Reports from the Required Review Activities shall include, but not be limited to:

a. Analysis of the MCO data with comparison to previous performance.

b. Comparison of the data analysis to selected goals and/or industry benchmarks.

c. Comparison of the analysis with findings from other states or national studies.

d. Presentation of numerical data in a meaningful way that provides accurate, clear, and easily understandable information.

If IPRO fails to submit a report within the required timeframe, a corrective action plan can be initiated, and a penalty can be imposed of $100.00 per day until the report is received.

Penalties can be assessed as described in Section 11.01.10 – Performance-Based Penalties. The Department may impose additional remedial actions, intermediate sanctions, penalties, or liquidated damages and/or elevate the violation to a higher Category of Risk if the non-compliance continues, or if the Contractor fails to comply with the originally imposed action.

1.05 Subcontractors

Before engaging a Subcontractor not identified in the Contractor's response or replacing a Subcontractor identified in the Contractor's response, the Contractor will notify the agency and provide the agency with information regarding the proposed Subcontractor, including but not limited to the proposed Subcontractor's relevant qualifications, experience, and key personnel. The agency reserves the right to approve or disapprove any Subcontractor proposed by the prime Contractor; such approval shall not be unreasonably withheld. The Contractor shall be solely responsible for the performance of the entire Contract, whether subcontractors are used.

Department for Medicaid Services has approved the following Subcontractors for this agreement:

DataStat, Inc.

1.05.01 Responsibility for Subcontractor Contract Requirements

All references to the Contractor shall be construed to encompass both the Contractor and any Subcontractors. The Contractor's contract with any Subcontractor related to this Contract shall specify that all requirements of this Contract are applicable and binding on the Subcontractor. If requested, the Subcontractor must provide the Contractor and CHFS documentation of compliance with this Contract.

When possible, the Contractor will comply with 2 CFR Part 200.321 when selecting Subcontractors.

1.05.02 Subcontractor Monitoring Requirements

The Contractor shall monitor Subcontractors for compliance with this Contract and the specific provisions of the Contractor's contract with the Subcontractor.

1.06 CHFS Responsibilities

1. Provide the Contractor with a contact person who will coordinate the activities required under the contract.

2. Provide the Contractor with related program information required by the Contractor for accomplishing their contract responsibilities.

3. Conduct reviews of all materials submitted to DMS by the Contractor.

4. Modify any report format and timetables for submission because of changes in Commonwealth policy or direction.

5. Provide timely notifications to the Contractor of all changes and/or amendments to the MCOs' contract(s) and/or any waiver terms and conditions, etc.; and

6. Review and approve/disapprove the Contractor's invoices and supporting documents.

1.07 Monitoring Requirements

Penalties may apply throughout the life of the contract. Penalties may be leveraged by reducing the Contractor's invoiced amount by the amount of the penalty. If a penalty, or combination of penalties, exceeds the invoiced amount, the remaining penalty will be applied against the next invoiced amount.

The intent of DMS is to work together with the Contractor in a partnership where penalties are not needed. Before a penalty is imposed, DMS works with the Contractor on the agreement of a resolution to the issue without penalty. If the issue is not resolved in the agreed upon resolution, technology, timeframe, or manner, only then would a penalty be applied. In no event shall Contractor be subject to any penalty, reduction, damage, or other compensation for delays that result from the action or inaction of DMS, or from factors outside of the Contractor's control. Penalties applied will follow those detailed in Table 6 below.

In the event of a Contract performance failure by the Contractor and such Contractor performance failure is not included in the following penalties or **Table 1: EQRO Performance Metrics.,** SLA Contract Requirements and Penalties, with an associated penalty/reduction amount, the parties hereby agree that DMS may choose one of the following courses of action in order to obtain redress for such Contract performance failure:

1. DMS may assess actual damages resulting from the Contract performance failure against the Contractor in the event that such actual damages are known or are reasonably ascertainable at the time of discovery of such Contract performance failure.

2. If such actual damages are unknown or are not reasonably ascertainable at the time of discovery of the Contract performance failure, DMS may:

a. Require the Contractor to submit a CAP to address any such Contract performance failure; and/or:

b. Assess a penalty/reduction against the Contractor for an amount that is reasonable in relation to the Contract performance failure as measured at the time of discovery of the Contract performance failure.

c. DMS may choose to monitor for future occurrences of the Contract performance failure through the Performance Report Card process as defined in Table TBD: PROGRAM NAME Performance Report Card.

1.08-Performance Report Card

Performance Report Cards measure performance criteria targeted primarily at the administrative, operational, coordination, and quality aspects of this Agreement.

The Contractor shall maintain current and accurate performance statistics to support required reporting for each invoice period. Final determination of whether performance criteria are deemed "met" or "not met" shall be at the sole discretion of the Commonwealth.

Within fifteen (15) calendar days of the end of the previous month, the Contractor shall produce and deliver a Performance Report Card for that month.

DMS will review the Performance Report Card on a monthly basis. A forfeiture equal to 0.5% of the monthly quarterly invoice amount will be assessed in the next month's quarter's invoice for each failure identified during the reporting period, not to exceed a total of 5% of the total monthly quarterly invoice.

The Performance Report Card items listed in the table below shall be monitored during the term of the Agreement.

Category	Performance Metric	Target / Threshold	Measurement Method	Consequences for Non-Performance
Timeliness of Deliverables	% of all deliverables submitted by due date	≥85%	DMS tracking log	0.5% reduction in quarterly invoice per deliverable that is more than five (5) business days late.
Deliverable Quality	% of deliverables accepted on first submission	≥85%	QA acceptance rate	0.5% reduction in quarterly invoice per rejected deliverable requiring resubmission.

Staffing Stability	Key Personnel retention rate	≥85% annually	HR tracking	0.5% reduction in quarterly invoice per unapproved replacement; Greater than 20% turnover triggers CAP.
Vacancy Notification	Days to notify DMS of vacancy in key personnel	≤ 3 business days	Staffing logs	0.5% reduction in quarterly invoice
Vacancy Fill Time	Days to fill key vacancies	≤60 calendar days	Staffing logs	0.5% reduction in quarterly invoice for each month vacancy is unfilled
Financial Tracking Accuracy	% variance between forecast and actual project spend	≤10%	Monthly financial report review	0.5% reduction in quarterly invoice for variance without justification
Risk Mitigation Execution	% of mitigation plans implemented on schedule	≥95%	DMS audit	0.5% reduction in quarterly invoice for each month per overdue mitigation
Stakeholder Responsiveness	Response to DMS inquiries within two (2) business days	100%	Email timestamp verification	0.5% reduction in quarterly invoice

1.09 Related Documents and Materials Incorporated by Reference

Current CMS Protocols for EQR Activities: CFR 42 Section 438

1.10 Deliverables Schedule and Descriptions

1.10.01 EQR Deliverables

Follow CMS External Quality Review Protocols 1–9, including PMV, PIP Validation, QCRs, Network Adequacy, and Annual Technical Reports.

Project Management Deliverables

#	Deliverable	Due Date / Frequency	Description and Requirements	Acceptance Criteria
PM-1	**Project Management Plan (PMP)**	Within **30 calendar days** of contract award	Defines governance, scope, deliverables, timelines, communication plan, RAID-C process, change control, and quality management approach.	Approved by DMS; reflects all required sections and incorporates revisions within ten (10) business days.
PM-2	**Work Breakdown Structure (WBS)**	With PMP submission	Detailed mapping of tasks, dependencies, milestones, responsible roles, and schedule per EQR protocols.	Accepted by DMS; 100% of activities traceable to deliverables.
PM-3	**Project Schedule (Baseline and Updates)**	Baseline with PMP; updated monthly	Gantt chart or similar schedule showing milestones, dependencies, and critical path.	On-time updates; no >10% schedule variance unless approved.

PM-4	**Risk, Action, Issue, Decision, and Change (RAID-C) Register**	Initial within 30 calendar days; updated **weekly**	Centralized tracker for all project risks, action items, issues, decisions, and changes. Includes status, owner, and mitigation plan.	Accurate, updated weekly; reviewed in governance meetings.
PM-5	**Monthly Project Status Report (MSR)**	By the **10th day of each month**	Summarizes schedule, progress, risks, staffing, performance metrics, and financial status.	Complete, accurate, timely; accepted by DMS.
PM-6	**Quarterly Performance Review Report (QPR)**	Quarterly	Summarizes deliverable completion, KPI performance, corrective actions, and forecasts.	Delivered within ten (10) business days post-quarter; accepted by DMS.
PM-7	**Change Control Log**	Updated as needed	Documents requested and approved scope or schedule changes, including impact analysis and approval date.	Up to date; changes approved prior to implementation.
PM-8	**Project Governance Meeting Decks and Minutes**	Biweekly or as scheduled	Prepared and distributed to all stakeholders; includes progress updates, decisions, and action items.	Distributed within two (2) business days post-meeting; includes action owner follow-ups.
PM-9	**Quality Assurance/ Quality Control Plan (QA/QC)**	Within **45 calendar days** of contract start; updated annually	Outlines internal review process, quality checkpoints, validation procedures, and acceptance criteria.	Accepted by DMS; aligned with CMS EQR protocol standards.
PM-10	**Communication Management Plan**	With PMP submission	Defines frequency, format, and audiences for communications (DMS, CMS, internal).	Approved by DMS; consistent with governance structure.
PM-11	**Project Closeout Report**	Within **45 calendar days** of contract end	Summarizes overall project performance, final deliverables, staffing performance, risk closure, and lessons learned.	Accepted by DMS; includes all supporting documentation.

1.10.02 Staffing Deliverables

#	Deliverable	Due Date / Frequency	Description and Requirements	Acceptance Criteria
S-1	**Staffing Plan**	Within 20 calendar days of award; updated annually	Includes key personnel, FTE allocations, roles, responsibilities, and qualifications.	Approved by DMS; staff meet all required qualifications.
S-2	**Contingency Staffing Plan**	Within 30 calendar days of award; updated annually	Outlines procedures for coverage, transitions, and emergency replacements.	Approved by DMS; ensures continuity of critical functions.
S-3	**Key Personnel Roster**	Initial at award; updated within five (5) business days of changes	Lists approved key staff and alternates.	Must maintain #90% stability; all changes pre-approved.
S-4	**Monthly Staffing Status Report**	Monthly	Tracks vacancies, replacements, and capacity utilization.	Variance #10%; timely and accurate.

1.10.03 Performance-Based Metrics

IPRO will be evaluated across Deliverable Quality, Project Management Compliance, Staffing Stability, and Operational Effectiveness.

Category	Performance Metric	Target / Threshold	Measurement Method	Consequences for Non-Performance

Timeliness of Deliverables	% of all deliverables submitted by due date	# 95%	DMS tracking log	2% reduction in monthly invoice per deliverable that is more than five (5) business days late.
Deliverable Quality	% of deliverables accepted on first submission	# 95%	QA acceptance rate	$1,000 deduction per rejected deliverable requiring rework.
Project Schedule Adherence	% of milestones achieved on schedule	# 90%	Baseline vs. actual	$500 per milestone missed without approved change order.
RAID-C Management	% of open items updated weekly	100%	Audit of RAID-C log	$250 per instance of missing updates; recurring failure triggers CAP.
Governance and Reporting Compliance	% of required meetings held and documented	# 95%	Meeting minutes	$250 per missed meeting or late documentation.
Change Control Compliance	% of changes documented and approved before implementation	100%	Change control log audit	$500 per unauthorized change.
QA/QC Review Compliance	% of deliverables subject to documented internal QA review	100%	QA logs	$1,000 penalty per missed QA review.
Staffing Stability	Key Personnel retention rate	# 90% annually	HR tracking	3% monthly deduction per unapproved replacement; Greater than 20% turnover triggers CAP.
Vacancy Fill Time	Days to fill key vacancies	# 15 business days	Staffing logs	$500 per day beyond 15-day threshold.
Contingency Plan Compliance	Activation and notification per approved plan	100%	DMS audit	$1,000 per failure to activate or notify DMS timely.
Financial Tracking Accuracy	% variance between forecast and actual project spend	# 10%	Monthly financial report review	$1,000 penalty for greater than ten percent (10%) variance without justification.
Risk Mitigation Execution	% of mitigation plans implemented on schedule	# 95%	RAID-C audit	$500 per overdue mitigation.
Stakeholder Responsiveness	Response to DMS inquiries within two (2) business days	100%	Email timestamp verification	$250 per incident.

1.10.04 Performance Remedies and Penalties

1. Written Notice of Noncompliance

    a. DMS will issue a written notice for deficiencies, requiring correction within ten (10) business days or submission of a Corrective Action Plan (CAP).

2. Liquidated Damages

    a. Late Deliverables: $1,000 per day per deliverable, capped at five percent (5%) of annual contract value.

    b. Unapproved Key Personnel Replacement: Three percent (3%) deduction of the monthly invoice per occurrence.

    c. Repeated Project Management Noncompliance: $2,000 per quarter if the same deficiency persists.

d. Failure to Maintain RAID-C or Governance Documentation: $500 per missing update or record.

e. Unauthorized Change Implementation: $1,500 per incident.

3. Payment Withhold

a. DMS may withhold up to 15% of monthly payments for unresolved deficiencies or failure to comply with PMP or QA requirements.

4. Rework at No Cost

Contractor must re-perform any rejected or defective deliverable or analysis at its own expense.

5. Termination for Cause

6. DMS may terminate if:

a. Two or more major project deliverables are late or rejected within a 12-month period.

b. Contractor fails to meet 80% or greater KPI compliance for two consecutive quarters: or

c. Contractor fails to maintain the approved Project Management staffing or governance structure.

1.10.05 Project Management Legal and Compliance Provisions

1. Project Governance

IPRO must maintain a governance structure including a Project Director, PMO Lead, QA/QC Lead, and DMS Liaison, all of whom must be approved by DMS.

2. Change Control

No modification to scope, cost, or schedule shall occur without prior written DMS approval.

3. Reporting Consistency

All deliverables must use DMS-approved templates and naming conventions. Reports must include revision history and QA/QC sign-off.

4. Documentation Retention

IPRO shall retain all project management records, RAID logs, meeting minutes, and deliverable versions for seven (7) years after contract termination.

5. Audit Rights

DMS reserves the right to audit project management records, tools, and artifacts at any time during the contract and up to five (5) years post-termination.

1.10.06 Performance Review and Governance

1. DMS will conduct Quarterly Performance Reviews (QPRs) evaluating compliance.

2. IPRO must submit written responses and CAPs within ten (10) business days of findings.

3. Persistent noncompliance will escalate to contract management actions, including invoice withholds and potential termination.

SECTION 2 – CONTRACT COMPONENTS AND ORDER OF PRECEDENCE

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies;

2. This written Agreement between the Parties;
3. Any Addenda to the Solicitation;
4. The Solicitation and all attachments;
5. Any Best and Final Offer;
6. Any clarifications concerning the Contractor's proposal in response to the Solicitation;
7. The Contractor's proposal in response to the Solicitation.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

SECTION 3 – NEGOTIATED ITEMS

Not Applicable

SECTION 4 – PRICING

Any and all services, monitoring of such services, and billing and invoicing for such services shall be in compliance with all applicable state and federal statutes, regulations, policies, and procedures governing the Medicaid Program, including but not limited to the State Plan approved by the federal Centers for Medicare and Medicaid Services. No payment shall be made for non-compliant services or invoices. Services are to be billed as follows:

Invoices for payment shall be submitted electronically to DMS.Invoice@ky.gov Invoices must be submitted no later than thirty (30) calendar days after the Quarter of completion of the service(s).

Payment shall be conditioned upon receipt of appropriate, accurate, and acceptable invoices submitted in a timely manner.

The Contractor is responsible for submitting quarterly invoices in two parts:

1. Legislative Research Commission's Government Contract Review Committee Invoice Form; and

2. The Revised Attachment B-EQRO Invoicing Template developed by DMS, broken down by the percentage of deliverable time worked and/or completed work, along with any Supporting Documentation.

The invoice shall be itemized per the following categories, if applicable, with the percentage of time worked noted:

a. Annual Work Plan

b. Quality Companion Guide and Administrative Calls

c. Compliance Review

d. Performance Measure validation

e. PIP Validation

f. EQRO Results Final Technical Report

g. Quality of Care Focus Study

h. Comprehensive Evaluation & Medicaid Managed Care Progress Summary

i. Access and Availability Survey

j. Validation of Managed Care Provider Network

k. Health Plan Report Cards

l. Individual Case Reviews

m. Ad-Hoc Reports/Reviews

3. Summarize the categories by the federal CMS 64.10 Line 17 External Quality Review breakdown as follows:

a. Mandatory Validation of Performance Improvement Project (PIP)

b. Mandatory Validation of Performance Measures

c. Mandatory Validation of Compliance Data

d. Mandatory Network Adequacy Validation (once the protocol is created)

e. Optional Validation of Encounter Data

f. Optional Administration or validation of consumer or provider surveys of quality of care

g. Optional Calculation of Performance Measures

h. Optional Implementation of PIPs

i. Optional Focus studies on Quality of Care

j. Technical Assistance

k. Optional Network Adequacy Validation

l. Optional Quality Rating System EQRO Support

Invoices that do not meet the requirements above will be rejected and returned to the Contractor for re-invoicing.

4.01 Quality Management

IPRO will perform all services in a professional manner consistent with generally accepted administrative and program management practices and applicable Medicaid requirements.

IPRO will identify, document and correct material errors or deficiencies in deliverables or reporting within timeframes established by DMS.

For recurring or material quality issues, the Contractor shall identify contributing factors and implement remedying actions at no cost to DMS.

4.02-Resource Management

IPRO will maintain staffing levels, qualifications, and key personnel commitments to meet the requirements of this Agreement.

Replacement of key personnel shall require prior DMS approval and shall not materially degrade performance or service continuity.

IPRO will take reasonable steps to mitigate staffing disruptions that could impact performance.

4.03-Risk and Issue Management

IPRO will proactively identify, document, manage, and communicate risks or issues that may materially affect compliance with Medicaid requirements or performance under this Agreement.

High-impact or unresolved risks shall be escalated promptly to DMS.

IPRO willimplement DMS-approved mitigation actions and cooperate in resolving identified risks and issues.

SECTION 5 – INVOICING

IPRO shall submit invoices based on the deliverables specified in the project work plan. Such invoices shall include Invoices for payment shall be submitted electronically to DMS.Invoice@ky.gov. Invoices must be submitted no later than thirty (30) calendar days after completion of the service period.

Payment shall be conditioned upon receipt of appropriate, accurate, and acceptable invoices that are submitted in a timely manner.

The Contractor shall submit quarterly invoices in accordance with this section. Invoices shall contain two parts:

a. Legislative Research Commission's (LRC) Government Contract Review Committee Invoice Form; and

b. Supporting documentation.

Invoices that do not contain the requirements above will be rejected and sent back to the Contractor for re-invoicing.

SECTION 6 – INSURANCE REQUIREMENTS

*** Proof of all required insurances should be provided prior to award. ***

A Certificate of Insurance (COI) on an ACORD form is required unless approved by the Commonwealth's Office of the Controller.

A. Required Coverage

The awarded vendor(s) shall be responsible for maintaining, and not reducing, the following insurance coverages, types, and limits of liability. Further awarded vendor shall be able to produce evidence of insurance in compliance with part C of this section through the entire contract:

Commercial General Liability Insurance in accordance with minimum limits of liability of $1,000,000.00 per occurrence, $2,000,000.00 aggregate. The Commonwealth, in the Request for Solicitation, may require higher limits depending on the type of solicitation.

B. Additional Types of Insurance

(*The Commonwealth reserves the right to require higher coverage amounts if needed based on the type of contract and associated risk)

1. **Automobile Liability Insurance (If Applicable)**

   Automobile Liability Insurance is required for delivery, onsite training, services or events in all situations where the Contractor must drive to any property where Commonwealth operations occur. With regard to delivery, if the items requested in this solicitation will be delivered by the awarded Contractor or Subcontractor, proof of Automobile Liability Insurance must be provided prior to award. ***If items will be delivered by common courier (USPS, FedEx, UPS, Old Dominion Freight Line, etc.), this requirement does not apply.***

   The Contractor or Subcontractor must provide a certificate of insurance coverage for any vehicle used in performance of this contract, whether owned, non-owned, or hired, or other vehicles utilized by the Contractor or Subcontractor. Said policy of insurance to have a minimum coverage limit of $1,000,000.00 per occurrence combined single limit for bodily injury, including death, and property damage.

   This requirement does not apply if the Contractor does not own, lease, or hire any automobiles to be used in connection with performance under any Contract resulting from this Solicitation.

2. **Professional Liability Insurance (If Applicable)**

   Professional Liability (Error & Omissions) Insurance shall be required for all professional services performed by licensed or certificated individuals or individuals working on behalf of licensed or certificated individuals. The required Professional Liability Insurance shall have a minimum limit of liability of $1,000,000.00 per claim for damages arising out of negligent acts, errors, and/or omissions in the performance of services.

C. Evidence of Insurance Coverage

The successful bidder shall provide evidence of insurance coverage as required. Failure to do so shall constitute a material breach of this Contract and may result in immediate cancellation of the Contract.

For all required insurance coverages, during the course of the Contract, the awarded vendor shall not be self-insured or utilize a Captive Insurer or a fronting policy that shifts risk back to the awarded vendor without prior written approval by the Office of the Controller of the Commonwealth.

Further, the awarded vendor shall not utilize an insurer or similar entity not in good standing with the Insurance Commissioner to fulfill the insurance requirements of the contract without prior written approval by the Office of the Controller of the Commonwealth.

Such approvals may require additional financial review, proof of funds, or bonding requirements sufficient for the risk associated with the services covered by the Contract, and approval or rejection is within the sole discretion of the Commonwealth's Office of the Controller.

Contractor shall furnish the Certificate of Insurance prior to award and shall, upon request of the Commonwealth at any time during the contract term, provide a current, valid Certificate of Insurance.

Contractor and/or its insurer shall provide immediate notice of nonrenewal or cancellation of coverage during the course of the Contract.

All Certificates of Insurance must be signed by an authorized representative of the insurance agency, shall be in compliance with the laws of the Commonwealth of Kentucky, and shall be placed with a licensed resident or non-resident agent who represents insurance companies authorized to do business in Kentucky. The insurer shall have an AM Best rating of B+ or higher. Visit www.ambest.com for verification. Failure to meet this requirement may result in the bid being deemed non-responsive. A list of authorized companies can be found at https://insurance.ky.gov/ppc/Company/Default.aspx.

The certificate holder shall be listed as:

Cabinet for Health and Family Services
275 E. Main Street 4E-C
Frankfort, KY 40601
Attn: David Locker

Endorsement of Additional Insured. Certificate of Insurance must contain the following language in the Description of Operations box:

"The Commonwealth and its agents are Additional Insureds for the contract resulting from the solicitation. Additional insured protection afforded is on a primary and non-contributory basis."

A copy of the Endorsement of Additional Insured must be submitted with the Certificate of Insurance.

D. Subcontractors

If the contract allows for Subcontractors and utilizes Subcontractors, prior to the commencement of any work by a Subcontractor.

1. The primary Contractor's Certificate of Insurance must identify coverage that meets or exceeds the insurance requirements defined in this contract and that covers Subcontractor and its work in support of the Contract ***or*** the Subcontractor must submit and maintain a Certificate of Insurance that also meets or exceeds the insurance requirements of the Primary Contractor defined in this contract, with an Additional Insured Endorsement.
2. Procuring Agency reserves the right to request copies of all Subcontractor's Certificate(s) of Insurance at any time.

E. Maintenance of Insurance

During this Contract, the Contractor shall maintain and shall require any Subcontractor to maintain their directors and officers liability insurance, Workers' Compensation insurance, employer liability insurance, and such other liability insurance as reasonably necessary in the Contractor's business judgment to provide adequate coverage against losses and liabilities attributable to the acts or omissions of the Contractor and the Subcontractor(s) in the performance of this Contract. The Contractor shall provide and shall require any Subcontractor to provide evidence of such coverage upon request.

If the Contractor and any Subcontractor are not self-insured, each shall name CHFS as an additional insured on any policy of coverage, except the Workers' Compensation and any reinsurance. The Contractor and any Subcontractor shall provide proof of coverage within five (5) business days of coverage upon request.

CHFS shall not be responsible for any premiums or assessments on policy(ies) held by the Contractor or any subcontractor under this Contract. CHFS may, at its sole discretion, pay one or more premiums, if doing so would be in the Cabinet's best interest. Should CHFS exercise this option, the Contractor shall fully reimburse CHFS, either directly or by an offset against future payments.

The Certificate of Insurance for any policy other than self-insurance or any reinsurance must require that the insurer cannot cancel the coverage without thirty (30) days prior written notice to CHFS. The Contractor shall notify CHFS within five (5) business days of any cancellation or interruption of the Contractor's or Subcontractor's insurance coverage. In any subcontract, the Contractor shall require that any Subcontractor also provide such notice to the Contractor and CHFS. Any insurance must remain in effect at all times during this Contract. If any insurance coverage expires during this Contract, the Contractor and any Subcontractor shall provide a new Certificate of Insurance evidencing coverage for not less than the remainder of the Contract at least thirty (30) calendar days prior to the expiration date.

SECTION 7 – CHFS STANDARD TERMS AND CONDITIONS

Incorporated by Reference
Finance & Administration Cabinet Policy FAP 111-43-00
Personal Service Contracts

7.00 General Provisions

7.00.01 Headings

The section headings in this Contract are for reference and convenience only and shall not have any effect on the construction or legal effect of this Contract.

7.00.02 Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all contractual communications are to be made to the Agency Contact.

7.00.03 Changes and Modifications to the Contract

Pursuant to 200 KAR 5:311, no modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Contractor and the Commonwealth and incorporated as a written amendment by the Cabinet prior to the effective date of such modification or change. Any modification shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or authorized designee, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or correspondence shall not be construed as amendments to the Contract.

If the Contractor believes contract modification is necessary, it shall promptly report such matters to Issuer identified on page 1 for consideration and decision.

7.00.04 No Required Use of Contract

This Contract does not guarantee any minimum use of services. The Cabinet reserves the right to leave all, or any portion, of the contract unused. The Cabinet may establish or award other contracts for additional or related work, services, supplies, or commodities, and the Contractor shall fully cooperate with any such other contractors and Commonwealth employees. The Contractor shall not commit or permit any act that interferes with the work performed by any other contractor or by Commonwealth employees.

7.00.05 Severability

If any part of this Contract is held by a court of competent jurisdiction to be illegal or in conflict with any law of the Commonwealth or the United States of America, the validity of the remaining parts shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular part held to be invalid, if the remainder of the Contract is capable of performance.

7.00.06 Indemnification

The Contractor shall indemnify and hold harmless CHFS and its agents, representatives, officers, directors, employees, insurers, successors, and assigns from and against any and all expenses, costs (including attorneys' fees), causes of action, liabilities, losses, and/or damages suffered or incurred that results from or arises out of (a) the Contractor's performance under the terms of this Contract; (b) the Contractor's or any of its employees' or subcontractor's negligent acts, omissions, intentional misconduct, or any dishonest, fraudulent, or criminal, acts, errors, or omissions; (c) the policies and procedures of the Contractor, including all Contractor employment practices during the term of this or any prior Contract with CHFS; (d) the unauthorized publication, translation, reproduction, delivery, use, or disposition of any CHFS data; or (e) the Contractor's failure to comply with any applicable state or federal laws or regulations.
If the Contractor is an agency of the Commonwealth of Kentucky, liability shall be governed by KRS 49.010 through KRS 49.180 and limited to any award from the Board of Claims up to the jurisdictional amount.

7.00.07 Sovereign Immunity

No provision of this Contract constitutes a waiver by CHFS, the Commonwealth of Kentucky, or the Contractor of any immunities from suit or liability that CHFS, the Commonwealth of Kentucky, or the Contractor may have by operation of law.

7.00.08 Force Majeure

Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement if such failure or delay is due to events or causes beyond the reasonable control of either Party. Events or conditions

beyond the Parties' reasonable control include, but are not limited to, natural or man-made disasters, weather events, transportation crashes, labor strikes or shortages, war, riots, or other civil unrest, state or national declared emergencies, pandemics, or public utility failures. However, CHFS retains the right to obtain any services elsewhere in the event of the Contractor's non-performance. In this event, the Parties shall negotiate in good faith any appropriate offset to the compensation payable under this Contract. The Contractor shall cooperate and shall require that any Subcontractor cooperate with CHFS in such event. The existence of such causes of delay or failure will extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. Each Party must inform the other as soon as possible of the existence of a force majeure event. To preserve this right as a defense, each Party must inform the other in writing, with confirmation of receipt, within twenty (20) business days of the force majeure event or otherwise waive this right as a defense to other Party's claim of non-performance.

7.00.09 Compliance with Licensure, Permits, and Tax Obligations

The Contractor shall ensure that all licenses, certifications, registrations, and permits required for performance under this Contract are obtained, kept in good standing, and maintained throughout the term of the Contract. These documents shall be readily accessible and available for inspection upon request.

To the extent required by law, the Contractor shall be solely responsible for the payment of any taxes associated with this Contract, including but not limited to sales, use, personal property, income, and other applicable taxes. The Contractor shall also be responsible for all required federal (including FICA), state, and local tax withholdings.

7.00.10 Legal Proceedings

Except as specifically disclosed in writing to CHFS prior to the date of this Contract, the Contractor certifies it is not aware of any there are no suits, investigations, or other proceedings pending or threatened against the Contractor or any Subcontractor that would have a material effect on this Contract or, if applicable, any subcontracts. The Contractor shall use reasonable efforts to notify CHFS within one (1) business day, and in writing within three (3) business days, of any suits, investigations, or other proceedings involving the Contractor related to this Contract.

7.00.11 No Grant of Employment or Agency

Nothing in this Contract shall be construed as granting any individual providing services under the Contract any of the claims, privileges, or rights under KRS Chapter 18A or KAR Title 101. No individual providing services under this Contract shall be considered a full-time or part-time employee of CHFS, for any purpose, including but not limited to unemployment, taxes, withholding, health insurance, liability, retirement, Workers' Compensation, vacation, sick or other leave, the Family Medical Leave Act, accrued benefits, or evaluations. At all times, any such individual shall be an employee, volunteer, or independent contractor of the Contractor. No employee, volunteer, or independent contractor of the Contractor shall be a third-party beneficiary of this Contract.

7.00.12 CHFS Discrimination Prohibited

1. The Contractor will not discriminate against any employee or applicant for employment or any individual requesting or receiving services from the Contractor on the grounds of race, color, religion, sex, national origin, age, disability, veteran status, or any other protected class identified in federal, state, or local laws. The Contractor will not retaliate for prior civil rights activity. The Contractor agrees to comply with, as applicable, the Kentucky Civil Rights Act, the Americans with Disabilities Act of 1990 (ADA) as Amended, Section 1557 of the Patient Protection and Affordable Care Act, the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and all other applicable federal, state, and local laws prohibiting discrimination.

2. The Contractor agrees to post in conspicuous places, available to program or service applicants or recipients, notices setting forth the provisions of this non-discrimination clause.

3. In all program or service solicitations or advertisements related to this Contract, the Contractor will set forth the provisions of this non-discrimination section.

4. The Contractor agrees to provide, free of charge, appropriate accommodations and reasonable modifications for applicants or recipients with disabilities. The Contractor agrees to post a notice in a conspicuous place, in an accessible format, informing individuals with disabilities about the availability of and the process for requesting free, reasonable accommodations and modifications.

5. The Contractor agrees to provide meaningful access and language assistance measures free of charge to program or service applicants or recipients with limited English proficiency. The Contractor agrees to post a notice in a conspicuous place informing individuals with limited English proficiency about the availability of free language assistance services in a language they can understand.

7.01 Contract Performance

7.01.00 Service Delivery Requirements

All Contract services provided by the Contractor shall comply with all applicable federal and state statutes and regulations.

7.01.01 Total Amount of Funds and Budget Revisions

CHFS shall have the right to recoup any overpayment, regardless of the reason. Any reconciliation or settlement of fund balances contained in the Summary Line Item Section of this Contract shall be negotiated between CHFS and the Contractor and determined as soon as possible before the end of this Contract.

7.01.02 Financial Record Retention

Unless otherwise specified in this Contract, the Contractor agrees to maintain all Contract records for not less than three (3) years after all Contract matters (e.g., audit, settlement of audit exceptions, disputes) are resolved and in accordance with applicable federal and/or state laws, regulations, and policies.

7.01.03 Confidential Information

The Contractor shall comply with applicable state and federal law, policies, and procedures governing access to and use of information and data provided by CHFS or collected by the Contractor under the Contract. The Contractor shall use such information or data only for purposes expressly authorized in this Contract and will maintain strict confidentiality in accordance with CHFS security and privacy standards. The Contractor shall ensure that all employees, agents, and subcontractors adhere to these requirements and shall maintain signed confidentiality agreements or equivalent binding policies with all personnel who may access CHFS data.

Any dissemination of information about projects funded and the scope of work of this Contract must be fully documented, reviewed, and approved by the Cabinet's project manager and the Chief Information and Security Officer (CISO) before any representation of projects, their funding sources, use of data, or data analyses may be posted to a web page or otherwise published.

Prohibited Activities

The Contractor and its personnel are expressly prohibited from:

1. Uploading, sharing, or transmitting any CHFS information—including de-identified, aggregated, or anonymized data—into any non-CHFS-approved external artificial intelligence (AI) tools, platforms, or extensions (e.g., ChatGPT, Bard, Traciq AI, Read AI, or similar).

2. Transferring CHFS information to personal devices, removable media (e.g., USB drives), or unapproved storage locations.

3. Sending CHFS information through unsecured email or unapproved collaboration tools.

4. Using CHFS information for testing, demonstration, or non-contractual research purposes without written approval from CHFS.

Monitoring and Enforcement

CHFS reserves the right to monitor, audit, and investigate any suspected or actual unauthorized access, use, or disclosure of information. Violations of this section may result in:

Immediate contract termination;

Disciplinary or legal action against responsible individuals; and

Reporting to regulatory or law enforcement authorities as applicable.

Exceptions

The foregoing will not apply to:

1. Information that the Commonwealth has released in writing from confidentiality;

2. Information already in the public domain through lawful publication; or

3. Information that, after disclosure, becomes part of the public domain as defined above, through no act of the Contractor; or

4. Information required by law to be disclosed, provided that prior written notice is given to CHFS to allow for protective action.

7.01.04 HIPAA Confidentiality Compliance

If applicable, the Contractor agrees to comply with the “HIPAA Privacy Rule,” 45 CFR Parts 160 and 164 established under the Health Insurance Portability and Accountability Act, Public Law 104-191 (42 USC 1320d).

7.01.05 Response/Compliance with Audit Findings

The Contractor shall comply with and require any Subcontractor to comply with any findings of noncompliance with any law, regulation, audit, inspection, or generally accepted accounting principle related to this Contract. Within thirty (30) calendar days of the Contractor's notification of noncompliance, the Contractor will provide CHFS, for CHFS' approval, a Corrective Action Plan that addresses the identified deficiencies. The Contractor shall bear the expense of compliance with any noncompliance finding that impacts or is related to the Contractor's work under this Contract. Noncompliance may also result in penalties as described in Section 6.01.07-Performance-Based Penalties.

7.01.06 Research Project Approval and Institutional Review Board Requirements

If applicable, any proposed research project under this Contract shall comply with 920 KAR 1:060, which provides for the Cabinet's review of research projects supported or funded in whole or in part through CHFS. If the proposed research project involves human subjects, it shall comply with 45 CFR 46 and the Cabinet's Institutional Review Board for the Protection of Human Subjects (IRB) requirements. The CHFS project manager will provide all documentation and protocols for review and approval by the CHFS IRB. No research may begin until the IRB approves the project.

7.01.07 Performance-Based Penalties

Upon a determination of failure to perform services outlined in Section 2-Scope of Services, the Cabinet may issue penalties up to five percent (5%) of the total amount of the contract for each instance of non-performance.

If the Cabinet elects not to exercise a penalty clause this shall not be construed as a waiver of the Cabinet's right to pursue the future assessment of any performance standard requirement and associated penalties.

The Cabinet will work with the Contractor to resolve performance issues at all times.

1. Requirement of Corrective Action:

A. Letter of Concern

Should the Agency determine that the Contractor or any Subcontractor is in violation of any requirement of this Contract, the Agency shall notify the Contractor of the deficiency through a "Letter of Concern." The Contractor shall contact the designated Agency Contact within two (2) business days of receipt of the Letter of Concern and shall indicate how such concern is unfounded or how it will be addressed. If the Contractor fails to timely contact the designated representative, the Agency may proceed to the additional remedies.

B. Corrective Action Plan

Should the Cabinet determine that the Contractor or any Subcontractor is not in substantial compliance with any material provision of this Contract, the Cabinet shall issue a written deficiency notice and require a corrective action plan be filed by the Contractor within ten (10) business days following the date of the notice.

A corrective action plan shall describe the time and manner in which each deficiency is to be corrected. The plan shall be subject to approval by the Finance and Administration Cabinet or the Cabinet, which may accept the plan as submitted, accept the plan with specified modifications, or reject the plan within ten (10) business days of receipt. The Cabinet may reduce the time allowed for corrective action depending on the nature of the deficiency.

C. Failure to Respond to Letter of Concern or Corrective Action Plan Notice

Failure of the Contractor to respond to a Letter of Concern within two (2) business days of receipt may result in up to a $500.00 per day penalty for each day until the response is received. Failure of the Contractor to submit a Corrective Action Plan within ten (10) business days following the date of the written deficiency notice may result in up to a $1,000.00 per day penalty for each day until the Corrective Action Plan is received.

D. Request for Extension

Upon request, CHFS may extend the time allowed for both a response to the Letter of Concern and a Corrective Action Plan depending upon the deficiency. The Contractor shall request an extension of time in writing from the designated representative and state. The request shall contain a justification and proposed extension period. If an extension is granted, the penalty per day for both a late Letter of Concern or a late Corrective Action Plan would begin after the expiration of the extension period.

2. Failure to Correct any identified deficiency may result in an action pursuant to Finance Terms - Cancellation of this Contract.

3. Upon timely resolution of all performance-based issues outlined in the Corrective Action Plan, the Contractor shall receive reimbursement of a percentage of the penalty withheld based on the following tier schedule:

A. Resolution within 30 days: at least 75% will be reimbursed to the Contractor.

B. Resolution within 60 days: at least 50% will be reimbursed to the Contractor.

C. Resolution within 90 days: at least 25% will be reimbursed to the Contractor.

D. Resolution after 90 days: total penalty withholdings are forfeited.

7.01.08 Performance and Evaluation

CHFS may complete a Performance Evaluation (PE) twice a year to document contract performance. PE documents will be entered into the Commonwealth's electronic financial system (eMARS). Performance documented by PE may be considered when making future awards. To obtain a copy of the PE documents completed for this Contract, contact the Issuer identified on page 1.

7.01.09 Business Continuity, Disaster Recovery, and Information Security Requirements

Upon request, the Contractor shall provide a Business Continuity Plan, Disaster Recovery Plan and Information Security Plan, which shall detail the steps the Contractor will take in the event of an outage or failure of either the Contractor's or CHFS' data or communication or technical support system. Such plans shall enable the Contractor to continue to meet all requirements of CHFS.

All costs associated with activating and sustaining execution of all plans shall be borne solely by the Contractor.

The Contractor shall test all backup procedures no less than quarterly. All costs associated with activating and sustaining execution of all plans shall be borne solely by the Contractor.

The Contractor shall test all backup procedures no less than quarterly.

7.01.09.01 Information Security Plan

The Contractor shall:

A. Submit a detailed Information Security Plan, for the Agency's approval and prior to implementing, within thirty (30) calendar days of execution of the Contract.

B. Review the Information Security Plan annually, at a minimum, or in the event of a significant system change (as defined by the Centers for Medicare and Medicaid Services (CMS)), update as needed. The annual Information Security Plan shall be submitted to the Agency during the yearly contract monitoring review.

C. Ensure all software and hardware components used to deliver this solution are supported by the Original Equipment Manufacturer (OEM) of that particular software or hardware and all other technologies used are uncompromised/secure.

D. Ensure access to all sensitive information (such as Personally Identifiable Information [PII], Protected Health Information [PHI], etc.) is restricted to vetted United States personnel only.

E. Ensure all data, including backups and archives, are maintained at all times within the contiguous United States. All sensitive data, as defined by CMS, shall be encrypted in-transit and at rest at all times.

F. The Contractor shall notify their CHFS point of contact and CHFS Information Security on all Security incidents within one (1) hour of their discovery.

G. All databases/spreadsheets containing sensitive data such as PII and PHI shall be monitored for any breaches. The Contractor shall set up alerts based on triggers that fire when a predetermined threshold is reached.

H. Cyber Insurance:

I. No production data shall exist in any other environment other than production. All non-production environments shall be designed to use data masking routines to transform personal and confidential data, while retaining its contextual meaning and referential integrity. The authorized Commonwealth management staff and CHFS Security shall approve any exceptions.

7.01.09.02 Independent Security Review

The Contractor shall perform an Infrastructure Vulnerability Assessment and full-scale Penetration Testing annually with the Commonwealth Office of Technology (COT) and an independent security assessment company agreed upon with the Commonwealth, at no additional cost to the Commonwealth. The Contractor shall submit a copy of the Infrastructure Vulnerability Assessment and industry-standard Penetration Test Report to the Commonwealth within fourteen (14) business days of its execution. The Contractor shall provide a Risk Mitigation Plan outlining options and recommending actions to enhance opportunities and reduce identified project risks.

7.01.10 Protection of Personal Information Security and Breach Investigation Procedures and Practices Act

When applicable, contractors that receive Personal Information, as defined by KRS 61.931, shall secure and protect the Personal Information by complying with all applicable requirements of the Personal Information Security and Breach Requirements contained in KRS 61.931- KRS 61.934. In accordance with KRS 61.932(2)(a), the Contractor shall implement, maintain, and update security and breach investigation procedures that are appropriate to the nature of the information disclosed and that are at least as stringent as the security and breach investigation procedures and practices established by the Commonwealth Office of Technology:

See:

http://technology.ky.gov/ociso/Pages/InformationSecurityPolicies,StandardsandProcedures.aspx

The Contractor shall comply with all applicable notification provisions in KRS 61.932 and KRS 61.933. The Contractor agrees to undertake a prompt and reasonable investigation of any security breach, as defined in KRS 61.931, as required by KRS 61.933. Upon conclusion of an investigation of a security breach of Personal Information, the Contractor agrees to an apportionment of the costs of the notification, investigation, and mitigation of the security breach. The Contractor agrees that the Commonwealth may withhold payment(s) owed to the Contractor for any violation of the requirements contained in KRS 61.931- KRS 61.934. The Contractor agrees to cooperate with the Commonwealth in complying with any response, mitigation, correction, investigation, and notification requirements of KRS 61.931- KRS 61.934.

The Contractor shall comply with the Commonwealth's policy on the use of Artificial Intelligence (AI).

7.01.11 Staffing

Any individual providing services under this Contract must not be prohibited or debarred from providing services or participating in any state or federal governmental program, including but not limited to the Medicare and Medicaid programs. In the event of any such prohibition or debarment, the Contractor shall immediately notify CHFS.

CHFS expressly reserves the right to immediately disqualify or prohibit the continued use of any Contractor staff that has been provided to perform Contract services, if, in CHFS's discretion, it is determined that their continued use is not in CHFS's best interests, that such staff fails to meet any Contract requirements, or that such staff has violated any state or federal law or violated any policies and procedures of CHFS.

7.02 Breach and Contract Termination

7.02.00 Remedies for Breach

In the event of a breach of contract by the Contractor, CHFS may pursue any remedy available to it under this Contract, KRS Chapter 45A, or by law. The remedies may be invoked without regard to the existence of any other available remedy and may include the enforcement of any holdback provision or payment of any specified liquidated damages.

7.02.01 Transition/Turnover/Closure

The Contractor shall give the Commonwealth at least thirty (30) days written notice of any insolvency, bankruptcy, dissolution, or the closure of business operations related to this Contract.

Upon receipt of the notice of non-renewal or termination or the Contractor's closure of business operations, the Contractor shall provide any turnover assistance reasonably necessary to enable CHFS (or its designee) to effectively close out the Contract and transition to another Contractor or to perform the work in-house. The Contractor is responsible for the orderly transition of work and the accuracy of data in coordination with CHFS and any new Contractor.

Within three (3) business days of CHFS's determination to initiate transition activities, the Agency Contract Manager will provide written instructions to the Contractor regarding the required activities.

Activities may include, but are not limited to:

1. Submission of a detailed Transition Plan within three (3) business days of receipt of CHFS communication. Upon receipt, CHFS will review and, if acceptable, approve the Transition Plan within three (3) business days. If CHFS determines that the Transition Plan is missing necessary information, CHFS shall provide the Contractor with written instructions for the required information, and the Contractor shall amend the Transition Plan to include the necessary information.
2. If the Commonwealth determines the Contractor was providing necessary, direct public services, notification to any individual receiving such services of the non-renewal, termination, or closure of business operations, advising the individual of reasonable, alternative service options. Prior to distribution,

the notification shall be sent to the Issuer for CHFS approval. The Contractor shall provide written certification to the Commonwealth once all individuals have been notified.

3. Deliver all documents, records, and appropriate reference materials, including data models and file documentation, by the date approved in the Transition Plan.
4. Deliver a final report on the status of contracted services. This report shall be provided to CHFS by the close of business on the date of termination.
5. Deliver a complete accounting report to CHFS within ninety (90) calendar days of the effective date of termination.
6. Provide reasonable and appropriate assistance to CHFS and its designee(s) regarding the contents of such documents and records submitted. This assistance shall be provided to CHFS for a minimum of ninety (90) calendar days following the effective date of termination.

The Contractor shall be responsible for paying any additional costs incurred by CHFS that are the result of the Contractor's failure to provide the requested records, documents, data, or materials within the agreed time frames in the Transition Plan.

7.02.02 Disputes

The Parties agree to take reasonable steps to resolve any disputes under this Contract.

7.03 Miscellaneous Provisions

7.03.00 Advertising Award Prohibition

The Contractor shall not reference the Award of Contract in commercial advertising in such a manner as to state or imply that the Contractor or its services are endorsed or preferred by the Commonwealth of Kentucky.

7.03.01 Bankruptcy

In the event the Contractor becomes the subject debtor in a case pending under the Federal Bankruptcy Code, the Commonwealth's right to terminate this Contract may be subject to the rights of a trustee or a debtor-in-possession in bankruptcy to assume or assign this Contract. Subject to any US laws, the trustee or debtor-in-possession shall not have the right to assume or assign this Contract unless:

1. All defaults under this Contract are promptly cured;

2. The Commonwealth is promptly compensated for the monetary damages incurred as a result of such default; and

3. Adequate assurance of future performance, as determined by the Commonwealth, is provided.

7.03.02 Code of Ethics

The Contractor and all personnel who may provide services under this Contract or any subcontract with the Contractor shall abide by any applicable codes of ethics or conduct. Failure to do so may result in the immediate termination of the Contract.

7.03.03 Notices and Pamphlets

All notices, advertisements, information pamphlets, research reports, and similar public notices prepared and released by the Contractor pursuant to this Contract shall be pre-approved by CHFS and include a statement identifying the appropriate source of funds for the project or service, including, but not limited to, identifying whether the funding is in whole or in part from federal, CHFS, or other state funds.

7.03.04 Scientific Misconduct

If applicable, the Contractor shall establish a procedure for the investigation, appeal, and disposition of complaints alleging misconduct in research projects funded by federal funds or Public Health Services research grants. Such policies and procedures shall comply with 42 CFR Part 93 and shall be made available, upon request, to CHFS. The Contractor shall immediately notify CHFS of any activity reported to the Contractor under this section.

7.03.05 Intellectual Property

Any formulae, methodology, or other reports and compilations of data provided by CHFS to the Contractor under this Contract shall be the exclusive property of CHFS. Any other use of these materials must be reviewed and approved in advance by CHFS. Any intellectual property owned by the Contractor prior to this Contract shall remain the exclusive property of the Contractor.

Any formulae, methodology, other reports, or compilations of data prepared or produced by the Contractor pursuant to this Contract shall, upon request, be made available for use by CHFS without charge. The Cabinet reserves a royalty-free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use the formulae, methodology, or other reports and compilations of data prepared or produced under this Contract.

7.03.06 Business Associate Agreement

The Contractor shall execute and comply with the attached Business Associate Agreement (BAA).

For the purposes of the BAA the following entities are defined:

Covered Entity:

Cabinet for Health and Family Services
Department
275 East Main Street
Frankfort, KY 40621

Business Associate:

IPRO
300 Jericho Quadrangle, Suite 300
Jericho, NY, 12345

SECTION 8 – FEDERAL REQUIREMENTS

If federal funds are utilized, the Contractor is responsible for complying with all applicable provisions of 2 CFR Part 200, including Appendix II.

8.00 Certain Provisions Contained Within 2 CFR, Part 200, Appendix II

8.00.00 Clean Air Act and Federal Water Pollution Control Act

The Contractor and Subcontractors shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, 42 U.S.C. 7401 et seq., and the Federal Water Pollution Control Act, as amended 33 U.S.C. 1251 et seq. Violations shall be reported to the U.S. Department of Health and Human Services (HHS) and the appropriate Regional Office of the Environmental Protection Agency.

8.00.01 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion, Lower Tier Covered Transactions

In accordance with Federal Acquisition Regulation 52.209-5, 2 CFR 180.300, 2 CFR 200.318, 2 CFR 200.303, and FAP 111-59-00, the Contractor certifies by signing the Contract, that to the best of its knowledge and belief, the Contractor and/or its Principals is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency. If debarred during the life of the contract, the vendor shall notify the Commonwealth buyer of record within seventy-two (72) hours of the federal debarment. For this certification, “Principals” means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity.

8.00.02 Certification of Lobbying Activities

The Contractor shall disclose any lobbying activities in accordance with 31 USC Section 1352. The Contractor certifies, to the best of its knowledge and belief, that:

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

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Contractors/Subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000.00 and not more than $100,000.00 for each such failure.

8.00.03 Equipment

For reimbursement-type contracts, the Contractor shall not purchase equipment or property with contract funds without prior written approval from the Agency.

8.00.04 Telecommunications and Video Surveillance Services or Equipment

In accordance with 2 CFR 200.216, Contractors and subrecipients are prohibited from obligating or expending loan or grant funds to:

(1) Procure or obtain;

(2) Extend or renew a contract to procure or obtain; or

(3) Enter into 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).

(i) 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).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) 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.

8.00.05 Domestic Preferences for Procurements

In accordance with 2 CFR 200.322:

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

In accordance with 2 CFR 200.323, a non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Personal Service Contract Standard Terms and Conditions
Revised February 2026

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

1.00 Effective Date
This contract is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC"). However, in accordance with KRS 45A.700, contracts in aggregate amounts of $10,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head if the agency has been granted delegation authority by the Secretary.

The Commonwealth will make payment within thirty (30) working days of receipt of contractor's invoice or of acceptance of goods and/or services in accordance with KRS 45.453 and KRS 45.454.

Payments are predicated upon successful completion and acceptance of the described work, services, supplies, or commodities, and delivery of the required documentation. Invoices for payment shall be submitted to the agency contact person or its representative.

2.00 Renewals
Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

3.00 LRC Policies
Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html and would impact any contract established under KRS 45A.690 et seq., where applicable.

4.00 Choice of Law and Forum
This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on the contract, including but not

limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

5.00 Cancellation
The Commonwealth shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days' written notice served on the Contractor by registered or certified mail.

6.00 Funding Out Provision
The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

7.00 Reduction in Contract Worker Hours
The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the agreement will be reduced by the amount specified in that document. If the contract funding is reduced, then the scope of work related to the contract may also be reduced commensurate with the reduction in funding. This reduction of the scope shall be agreeable to both parties and shall not be considered a breach of contract.

8.00 Authorized to do Business in Kentucky
The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity
Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010: to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030:

https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=40424 **therefore, foreign entities should submit a copy of their certificate with their solicitation response.**

If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010: https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=44318 , the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070: https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=50474

Businesses can register with the Secretary of State at:
https://www.sos.ky.gov/bus/business-filings/Pages/default.aspx

9.00 Invoices for fees
The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in Section V of this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html

10.00 Travel expenses, if authorized
The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of this contract or authorized in advance and in writing by the Commonwealth. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

11.00 Other expenses, if authorized herein
The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

12.00 Purchasing and specifications
The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

13.00 Conflict-of-interest laws and principles
The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

14.00 Campaign finance
The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

15.00 Access to Records

The state agency certifies that it is in compliance with the provisions of KRS 45A.150, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

16.00 Protest
Pursuant to KRS 45A.285, the Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Holly M. Johnson, Secretary
Commonwealth of Kentucky
Finance and Administration Cabinet
Office of the Secretary
200 Mero Street, 5th Floor
Frankfort, KY 40622
The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

17.00 Social Security
The parties are cognizant that the state is not liable for social security contributions, pursuant to 42
U.S. Code, section 418, relative to the compensation of the second party for this contract.

Any exceptions to this stipulation require an attachment or exhibit that explicitly addresses, and provides a basis for, payment of second party’s social security contributions by the state, pursuant to 42 U.S. Code, section 418.

18.00 Violation of tax and employment laws
KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to corporate and utility tax, sales and use tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers

compensation insurance laws, respectively. Disclosure of any violations is required prior to the award of any state contract and throughout the duration the contract.

Failure to disclose violations, shall be grounds for the Commonwealth's disqualification of a contractor or subcontractor from eligibility for future state contracts for a period of two (2) years.

To comply with KRS 45A.485, the Contractor and all subcontractors performing work under this contract shall report any such final determination(s) of any violation(s) within the previous five (5) years to the Commonwealth by providing a list of the following information regarding any violation(s): (1) specific KRS violated, (2) date of any final determination of a violation, and (3) state agency which issued the final determination.

A list of any disclosures made prior to award of a contract shall be attached to the contract. The Contractor affirms that it has not violated any of the provisions of the above statutes within the previous five (5) year period, aside from violations explicitly disclosed and attached to this contract. Contractor further affirms that it will (1) communicate the above KRS 45A.485 disclosure requirements to any subcontractors and (2) disclose any subcontractor violations it becomes aware of to the Commonwealth.

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19.00 Nondiscrimination

The Equal Employment Opportunity Act of 1978 (the “Act”), KRS 45.560 to 45.640, applies to all State government contracts or subcontracts in an amount exceeding $500,000. The contractor shall comply with all terms and conditions of the Act.

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin or.

(b) The Contractor shall take affirmative action in regard to employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation, and selection for training, so as to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, age forty (40) and over, disability, veteran status, and national origin.

(c) The Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin.

(d) The Contractor shall post notices in conspicuous places, available to employees and applicants for employment, setting forth the provisions of this non-discrimination clause.

The Contractor shall send a notice to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding advising the said labor union or workers' representative of the Contractor's commitments under this nondiscrimination clause.

The Contractor's noncompliance with the nondiscrimination clauses of this contract shall constitute a material breach of the contract.

Each Contractor shall, for the length of the contract or at the point at which the contract is covered by this Act and until its conclusion, furnish such information as required by the Act and any rules,

regulations and orders issued pursuant thereto and permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the Cabinet to ascertain compliance with the Act.

This section applies to agreements disbursing federal funds, in whole or part, only when the terms for receiving those funds mandate its inclusion.

20.00 Bidder, Offeror, or Contractor Mandatory Representations Compliance with Commonwealth Law
The contractor represents that, pursuant to KRS 45A.485, they and any subcontractor performing work under the contract will be in continuous compliance with the KRS chapters listed below and have revealed to the Commonwealth any violation determinations within the previous five (5) years:

KRS Chapter 136 (CORPORATION AND UTILITY TAXES)
KRS Chapter 139 (SALES AND USE TAXES)
KRS Chapter 141 (INCOME TAXES)
KRS Chapter 337 (WAGES AND HOURS)
KRS Chapter 338 (OCCUPATIONAL SAFETY AND HEALTH OF EMPLOYEES)
KRS Chapter 341 (UNEMPLOYMENT COMPENSATION)
KRS Chapter 342 (WORKERS' COMPENSATION)

Boycott Provisions
If applicable, the contractor represents that, pursuant to KRS 45A.607, they are not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade. **Note:** The term Boycott does not include actions taken for bona fide business or economic reasons, or actions specifically required by federal or state law.

If applicable, the contractor verifies that, pursuant to KRS 41.480, they do not engage in, and will not for the duration of the contract engage in, in energy company boycotts as defined by KRS 41.472.

Lobbying Prohibitions
The contractor represents that they, and any subcontractor performing work under the contract, have not violated the agency restrictions contained in KRS 11A.236 during the previous ten (10) years, and pledges to abide by the restrictions set forth in such statute for the duration of the contract awarded.

The contractor further represents that, pursuant to KRS 45A.328, they have not procured an original, subsequent, or similar contract while employing an executive agency lobbyist who was convicted of a crime related to the original, subsequent, or similar contract within five (5) years of the conviction of the lobbyist.

21.00 Artificial Intelligence (AI)
Vendor agrees to adhere to CIO-126 Artificial Intelligence Policy.pdf, which includes but is not limited to, the required written disclosure, in advance, of every use of generative AI and/or integrations with generative AI system. Vendor agrees to disclose all parts of contracted work that is expected to be or will be performed with the assistance of AI. Further, Vendor understands and agrees to take appropriate measures to ensure Generative AI shall not be used for any activities that are illegal or in violation of state policy, COT policy, or agency policy per CIO-126. Vendors may not use Commonwealth confidential or internal data in generative AI queries or for building

or training proprietary generative AI programs unless explicitly approved in writing by the agency head with consultation from the COT Chief Information Officer. Vendor agrees to provide reasonable written notice of any issue of noncompliance with these requirements.

Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

CHFS Cabinet Approval:

Signature | Title

Printed Name | Date

Contractor Approval:

Signature | Title

Printed Name | Date

CHFS Department Review:

Signature | Title

Printed Name | Date

Approved as to form and legality:

Attorney

Date