

RFQVA AMENDMENT	DEPARTMENT OF ECONOMIC SECURITY
RFQVA No: DDD 704014	Agency: Division of Developmental Disabilities
Amendment No: 3	Address: 1789 W. Jefferson, Site Code 791A Phoenix, Arizona 85005
Page 1 of 22	Phone: (602) 542-6874

A signed copy of the signature page (page 3) of this amendment must be included in the hard copy of the Application, or, if a Qualified Vendor Agreement has been awarded, the Qualified Vendor must return a signed copy of this amendment to:

Contract Management Section
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
P.O. Box 6123
Phoenix, Arizona 85005

The RFQVA is amended as follows:

Section 1 – NOTICE OF REQUEST FOR QUALIFIED VENDOR APPLICATIONS (RFQVA)

Page 1-1, under “Application Due Date,” is amended to:

- Replace “Support Coordination (Case Management)” with “services listed below”
- Replace “this service” with “these services”

Page 1-2, under “Services,” is amended to add “Targeted Case Management” and “State Funded Support Coordination”

Page 1-2, RFQVA Contact Person, is amended to replace the phone number for the RFQVA contact person.

Section 2 – TABLE OF CONTENTS

Page 2-1, is amended to:

- Delete “4.5 Published Rates”
- Replace “5.11 Application and Use of Published Rates” with “5.11 Application and Use of Rate Book”

Page 2-2, under Section 9, “Attachments,” is amended to make conforming changes

Section 3 – INSTRUCTIONS TO APPLICANTS

Page 3-2, Section 3.2.1, General, is amended to replace “a discussion of the Qualified Vendor Application and Directory System” with “information on the Qualified Vendor Application and Directory System”

Section 4 – BACKGROUND

Page 4-6, is amended by deleting Section 4.5

Section 5 – SERVICE REQUIREMENTS/SCOPE OF WORK

Pages 5-7 to 5-8, Section 5.11, Application and Use of Published Rates, is amended to:

Change the title to “Application and Use of Rate Book”

Replace items 1 through 3 with information about the rate book

Revise item 4 to remove the reference to schedule 5.1 and to remove numbering

Section 6 – DES/DDD STANDARD TERMS AND CONDITIONS

Page 6-7, Section 6.3.4, Notices, is amended to provide that notices to the Qualified Vendor shall be made using email only

Page 6-7, Section 6.3.6.3, is amended to add “relevant” before “materials”

Page 6-8, Section 6.3.8, Agreement Extension, is amended to replace “contract” with “agreement”

Page 6-9, Section 6.3.13, Offshore Performance of Work Prohibited, is amended to clarify which services shall be performed within the borders of the United States

Page 6-9, Section 6.4.1.2, is amended to replace “published rate” with “rate book”

Page 6-16, Section 6.5.7.3, is amended to clarify the corrective action plan notification requirement

Pages 6-20 through 6-22, Sections 6.7.6.2.3.1, 6.7.6.2.3.2, and 6.7.6.2.4.1, are amended to clarify the additional insured requirements

Page 6-27 renumber Section 6.8.7 to eliminate duplicate 6.8.7.2.

Section 9 – ATTACHMENT B, QUALIFIED VENDOR APPLICATION AND DIRECTORY SYSTEM

Page 9 Att. B-1, is amended to reference the QVADS User Manual, and the rest of the section is deleted

Page 9 Att. D-1, is amended to reference the QVADS User Manual, and the rest of the section is deleted

The following pages are attached:

Revised SECTION 1 – NOTICE OF REQUEST FOR QUALIFIED VENDOR APPLICATIONS (RFQVA),
pages 1-1 and 1-2

Revised SECTION 2 – TABLE OF CONTENTS, pages 2-1 and 2-2

Revised SECTION 3 – INSTRUCTIONS TO APPLICANTS, page 3-2

Revised SECTION 4 – BACKGROUND, page 4-6

Revised SECTION 5 – SERVICE REQUIREMENTS/SCOPE OF WORK, pages 5-7 and 5-8

Revised SECTION 6 – DES/DDD STANDARD TERMS AND CONDITIONS, pages 6-7 through 6-9, 6-9(a), 6-16,
6-20 through 6-22 and 6-27

Revised SECTION 9, ATTACHMENT B – QUALIFIED VENDOR APPLICATION AND DIRECTORY
SYSTEM, page 9 Att. B-1

Revised SECTION 9, ATTACHMENT D – FORMS J-119, J-125 & J-129, DATA-SHARING
REQUEST/AGREEMENT, page 9 Att. D-1

EXCEPT AS PREVIOUSLY AMENDED, ALL OTHER PROVISIONS OF THE RFQVA SHALL REMAIN IN THEIR ENTIRETY.

NOTE: IN ACCORDANCE WITH A.R.S. § 36-557.F (AS AMENDED BY LAWS 2005, CHAPTER 321, SECTION 2), RATES FOR THE SERVICES PURCHASED THROUGH THIS RFQVA ARE INCLUDED IN THE RATE BOOK, WHICH IS AVAILABLE ON THE DIVISION'S WEBSITE.

Applicant hereby acknowledges receipt and understanding of the
above RFQVA amendment.

Signature Date

Typed Name and Title

Name of Company

Qualified vendor Number

The above referenced RFQVA Amendment is hereby
executed this 1st day of December, 2005, at Phoenix, Arizona.



DDD Procurement Specialist

SECTION 1

NOTICE OF REQUEST FOR QUALIFIED VENDOR APPLICATIONS (RFQVA)

State of Arizona

Department of Economic Security (DES) or (Department)

Division of Developmental Disabilities (DDD) or (Division)

RFQVA Number: DDD 704014

Time Limited

Open and Continuous

Application Due Date:

Pursuant to Arizona Revised Statutes (A.R.S.) § 36-557 and rules adopted thereunder (R6-6-2101 et seq.), which are incorporated herein by reference, Applications for the services listed below will be accepted by the Division at the time and manner specified below. Through this Request for Qualified Vendor Applications (RFQVA) the Arizona Department of Economic Security (DES or Department), Division of Developmental Disabilities (DDD or Division) will execute Qualified Vendor Agreements with providers for the provision of these services.

Applications must be submitted electronically using the Qualified Vendor Application and Directory System as well as submitting a printable hard copy with signatures and necessary additional documentation. See Section 3 and Section 9.

Applications will be accepted beginning June 1, 2004. All Applicants shall not expect to be awarded an agreement sooner than 60 days after the submittal of a complete Application.

Submittal Location:

**ELECTRONICALLY GENERATED HARD COPY WITH ORIGINAL SIGNATURE
AND NECESSARY DOCUMENTATION**

In Person or By Courier to:

DDD Contract Unit, 4th Floor Southwest
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
1789 West Jefferson Street
Phoenix, Arizona 85007
(602) 542-6874

By Mail to:

DDD Contract Unit
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
P.O. Box 6123
Phoenix, Arizona 85005

Services:

Support Coordination (Case Management)
Targeted Support Coordination (Targeted Case Management)
State Funded Support Coordination (State Funded Case Management)

Persons with a disability may request a reasonable accommodation by contacting the RFQVA contact person. (For TDD/TTY call through the Arizona Relay Service at 800 367-8939). Requests should be made as early as possible to allow time to arrange the accommodation.

Agreement Type: Qualified Vendor Agreement with Published Rate

Agreement Term: 12 months beginning no sooner than 5/17/04, with five one-year options for the Division to extend or renew the agreement, with all agreements ending 6/30/09. The agreement can be terminated as specified in Section 6, DES/DDD Terms and Conditions.

RFQVA Contact Person (Phone/email)

Cathie Rodman (602) 542-6896 /CRodman@azdes.gov



DDD Procurement Specialist

AN EQUAL EMPLOYMENT OPPORTUNITY AGENCY

**SECTION 2
TABLE OF CONTENTS**

SECTION	SECTION CONTENT	PAGE
1.	Notice - Request for Qualified Vendor Applications (RFQVA)	1-1
2.	Table of Contents	2-1
3.	Instructions to Applicants	
	3.1 Inquiries	3-1
	3.2 Application Preparation	3-1
	3.3 RFQVA Schedule	3-4
	3.4 Verification	3-4
	3.5 Protests	3-5
	3.6 Evaluation	3-5
4.	Background	
	4.1 Mission, Vision, and Values	4-1
	4.2 Program Eligibility.....	4-2
	4.3 Program Description	4-3
	4.4 Consumer Choice.....	4-5
5.	Service Requirements/Scope of Work	
	5.1 Provider Qualifications	5-1
	5.2 Staffing.....	5-2
	5.3 Training.....	5-3
	5.4 Delivery of Services.....	5-3
	5.5 Service (Prior) Authorization.....	5-4
	5.6 Referrals for Services.....	5-5
	5.7 Individual Support Plan (ISP) and Related Activities	5-5
	5.8 Quality Management Plan.....	5-5
	5.9 Transition	5-6
	5.10 Recordkeeping	5-6
	5.11 Application and Use of Rate Book	5-7

6. DES/DDD Standard Terms and Conditions

6.1 Definition of Terms.....6-1

6.2 Agreement Interpretation6-3

6.3 Agreement Administration and Operation.....6-4

6.4 Costs and Payments6-9

6.5 Accountability6-14

6.6 Agreement Changes6-17

6.7 Risk and Liability6-18

6.8 Warranties6-23

6.9 State’s Contractual Remedies6-28

6.10 Agreement Termination6-29

6.11 Agreement Claims6-31

7. Service Specifications.....7-1

Support Coordination (Case Management)7-2

Targeted Support Coordination (Targeted Case Management)7-2

State Funded Support Coordination (State Funded Case Management)7-15

8. Map of DDD Districts8-1

9. Attachments (i.e. Forms to be completed by Applicant)

A. Application and Qualified Vendor Agreement Award9 Att. A-1

B. Qualified Vendor Application and Directory System9 Att. B-1

C. Business Associates Agreement9 Att. C-1

D. J-119, J-125 & J-129 Data-Sharing Request/Agreement.....9 Att. D-1

In person or by courier:

DDD Contract Unit, 4th Floor Southwest
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
1789 West Jefferson Street
Phoenix, Arizona 85007
(602) 542-6874

By mail to:

DDD Contract Unit
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
P.O. Box 6123
Phoenix, Arizona 85005

The hard copy shall consist of the following in the following order:

1. A completed and signed Application and Qualified Vendor Agreement Award form, which is generated by the Qualified Vendor Application and Directory System (see Section 9, Attachment A for a sample of this form; see Section 9, Attachment B for information on the Qualified Vendor Application and Directory System).
2. A completed and signed Qualified Vendor Application Assurances and Submittals page, which is generated by the Qualified Vendor Application and Directory System (see Section 9, Attachment B).
3. Completed and signed RFQVA amendment signature pages (as applicable).
4. A print-out of all sections of the Application entered by the Applicant into the Qualified Vendor Application and Directory System (see Section 9, Attachment B).
5. All applicable submittals required in the Qualified Vendor Application Assurances and Submittals form. (This form is part of the Qualified Vendor Application and Directory System; see Section 9, Attachment B).

If the Applicant is applying for one or more services covered by another RFQVA, the Applicant may submit one Application for both RFQVAs. The Application shall consist of all items listed above. The Applicant must ensure that the Application includes RFQVA amendment signature pages for all applicable amendments and RFQVAs.

choice will be the basis for provider selection. The responsibilities and roles which were formerly the primary responsibility of the Division are now meaningfully shifted to consumers and Qualified Vendors. Two new roles for the Division are to facilitate consumer choice and to assist Qualified Vendors to effectively make their program plans and availability known to consumers.

This RFQVA process, including the Qualified Vendor Application and Directory System, is designed to help the Division fulfill this new mandate. The Division will enter into Qualified Vendor Agreements with vendors that meet the minimum RFQVA requirements. Applicants will not be subject to a prospective quality evaluation of their program prior to the award of a Qualified Vendor Agreement (contract) by the Division. This is very different from all prior awards of contracts. The determination of quality service will be determined largely by consumer choice on an ongoing basis. Consumers will be able to change providers, utilize multiple providers, and encourage potential providers to apply to become a provider on an ongoing basis.

For some services, consumer choice will have some limitations. For example, group services, such as group homes and day treatment and training programs, consumer choice will be a shared responsibility of the group of consumers who will be sharing service provision. This will involve reaching consensus for a single choice among the entire group of consumers. For capacity based services, i.e., group homes or day treatment and training programs, consumer choice may be limited to Qualified Vendors who have existing capacity for service until the Division determines additional capacity is needed and can be supported by Division funding.

The Division's ability to provide services is based on available funding. Every effort will be made by the Division to effectively and efficiently provide service to all eligible consumers. It is the expectation of the Division that consumers and Qualified Vendors will assist the Division in efficient and effective service planning and delivery.

- 1.7 Current resumes for administrative/management positions.
 - 1.8 If applicable, documentation of inspections and licenses necessary to operate a residential setting.
2. The Qualified Vendor shall maintain a file on each consumer. A consumer's file should include the following, as applicable:
- 2.1 Pertinent documents related to the consumer's ISP such as the consumer's ISP, the consumer's support plan, and the consumer's behavioral health treatment plan.
 - 2.2 Record of services rendered (including administration of medications) and the consumer's response to services.
 - 2.3 Documentation of communications with consumer/consumer's representative, other service providers, support coordinator, etc.
 - 2.4 Copy of the orientation document.
 - 2.5 Copy of attendance sheets.
 - 2.6 Copy of the monthly progress reports.
 - 2.7 Documentation of incidents related to the consumer and/or complaints related to the Qualified Vendor's care of the consumer and documentation of resolution.
 - 2.8 All required consents, such as General Consent and/or Consent for Use of Behavior Modifying Medications.

5.11 Application and Use of Rate Book

In accordance with A.R.S. § 36-557.F (as amended by Laws 2005, Chapter 321, Section 2), the Division has published a rate book describing the rates and rate structure for services described in this RFQVA. The rate book is available on the Division's website. The rate book, including any updates, is incorporated by reference into this RFQVA. Qualified Vendors shall be paid the applicable rates as reflected in the rate book.

The Division acknowledges that the rate models used to determine the Benchmark Rates do not necessarily reflect actual cost profiles. Actual patterns of expenditures by Qualified Vendors may be different from those outlined in a given rate model. The Division recognizes that assumptions in the rate models may need to be updated over time.

THIS PAGE IS INTENTIONALLY LEFT BLANK

6.3.3.2.2 The annual financial audit must disclose the Division lines of business (including assets, liabilities, equity, revenue, expenses, and cash flows) independent of any other lines of business in which the Qualified Vendor may be engaged. The financial statements must at least separate the Division lines of business in the form of additional supplemental schedules, if they are not separately presented in the financial statements themselves.

6.3.4 Notices.

Notices to the Qualified Vendor required by this agreement shall be made by the State via email to the email contact indicated on the Qualified Vendor Application form submitted by the Qualified Vendor. Notices to the Qualified Vendor shall be made via email only. Therefore, in order to ensure notice, the Qualified Vendor shall update the email contact and address information in the Qualified Vendor Application and Directory System as necessary. Notices to the State required by the agreement shall be made by the Qualified Vendor to the Division's Contract Management Section at the following address:

Contract Management Section
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
P.O. Box 6123
Phoenix, Arizona 85005

An authorized Procurement Officer or authorized Procurement Specialist and an authorized Qualified Vendor representative may change their respective person to whom notice shall be given and an amendment to the agreement shall not be necessary. All notices shall reference the agreement number.

6.3.5 Advertising and Promotion of Agreement.

The Qualified Vendor shall not advertise or publish information for commercial benefit concerning this agreement without the prior written approval of the Division.

6.3.6 Property of the State.

6.3.6.1 Any materials, including reports, computer programs and other deliverables, created under this agreement are the sole property of the State. The Qualified Vendor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Qualified Vendor shall not use or release these materials without the prior written consent of the State.

6.3.6.2 The Federal and State governments reserve a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal or State government purposes such materials, reports, data or information system, software, documentation and manuals.

6.3.6.3 At the termination of the agreement in whole or in part, the Qualified Vendor shall make available all such relevant materials, reports, data and information to the Division within 30 days following termination of the agreement or such longer period as approved by the Division.

6.3.7 Confidentiality.

The Qualified Vendor shall observe and abide by all applicable State and Federal statutes, rules and regulations regarding the use or disclosure of information including, but not limited

to, information concerning applicants for and recipients of agreement services. To the extent permitted by law, the Qualified Vendor shall release information to the Department and the Attorney General's Office as required by the terms of this agreement, by law or upon their request.

6.3.8 Agreement Extension.

This agreement may be extended or renewed for up to five 12-month terms, with all agreements ending June 30, 2009. The Procurement Officer may exercise the Division's option to extend or renew the agreement by unilateral agreement amendment; a written amendment signed by both parties shall not be necessary.

6.3.9 Agreement Term.

The term of this agreement shall be the period of time from the agreement begin date to the agreement termination date as awarded or extended. The begin date of the agreement term is the date that the Qualified Vendor may start to provide services under this agreement. The Qualified Vendor will not be paid or reimbursed for agreement services provided prior to the begin date. However, payments or reimbursements shall not be made under this agreement until the effective date of this agreement. The agreement begin date shall be the date the Procurement Specialist signs the Application and the Qualified Vendor Agreement Award.

6.3.10 Cooperation.

The Division may undertake or award other contracts for additional work related to the work performed by the Qualified Vendor, and the Qualified Vendor shall fully cooperate with such other Qualified Vendor and State employees, and carefully fit its own work to such other Qualified Vendor work. The Qualified Vendor shall not commit or permit any act, which will interfere with the performance of work by any other Qualified Vendor or by State employees. The Qualified Vendor shall cooperate as the State deems necessary, with the transfer of work, services, case records and files performed or prepared by the Qualified Vendor to other Qualified Vendor(s).

6.3.11 Technical Assistance.

The Division may, but shall not be obligated to, provide technical assistance to the Qualified Vendor in the administration of agreement services, or relating to the terms and conditions, policies and procedures governing this agreement. Notwithstanding the foregoing, the Qualified Vendor shall not be relieved of full responsibility and accountability for the provision of agreement services in accordance with the terms and conditions set forth herein.

6.3.12 Enrollment; Disenrollment.

Procedures for enrollment of an individual in Qualified Vendor services and termination of enrollment with the Qualified Vendor shall be in accordance with the agreement and all applicable Division and/or AHCCCS rules and policies.

6.3.13 Offshore Performance of Work Prohibited.

Due to security and identity protection concerns, direct services under this agreement shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications or scope of work, this definition does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the agreement. This provision applies to work performed by subcontractors at all tiers.

6.4 Costs and Payments

6.4.1 Payments.

- 6.4.1.1 Upon delivery of goods or services, the Qualified Vendor shall submit a complete and accurate invoice to be paid by the State within 30 days of receipt.
- 6.4.1.2 The Qualified Vendor is paid a specified amount for each unit of service or deliverable as designated in the service specification and rate book or negotiated rate, not to exceed the maximum number of units indicated by the authorization for each agreement service/deliverable.
- 6.4.1.3 The Qualified Vendor shall report agreement expenditures to the Division in the manner prescribed by the “Records,” “Audits,” and “Reporting Requirements” sections of these terms and conditions. Upon receipt of applicable, accurate and complete reports, the Division shall authorize payment or reimbursement in accordance with the method(s) indicated by this agreement.
- 6.4.1.4 If the Qualified Vendor is in any manner in default in the performance of any obligation under this agreement, or if audit exceptions are identified, the Division may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.
- 6.4.1.5 Under no circumstances shall the Division make payment to the Qualified Vendor that exceeds the authorization. Under no circumstances shall the Division make payment to the Qualified Vendor for services performed prior to or after the term of the agreement without timely extension or renewal of the agreement. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to licensing if licensing is required. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to certification. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to AHCCCS registration.
- 6.4.1.6 Claims by the Qualified Vendor shall be submitted to the Division on the Division’s approved Billing Document. The Qualified Vendor shall be required to make any change in claims format required by the Division, AHCCCS or the Federal government under the electronic submission requirements of the Health Insurance Portability and Accountability Act of 1996.

- 6.4.1.7 The Division is not obligated to pay for services provided without prior authorization. Claims for services delivered shall be initially received by the Division not later than nine months after the last date of service shown on the claim. A resubmitted claim shall not be considered for payment unless it is received by the Division as a clean claim not later than 12 months after the last date of service shown originally on the claim.

- 6.5.7.3 If the Division requires the Qualified Vendor to implement a corrective action plan, and the plan requires it, the Qualified Vendor shall notify all current and prospective consumers that they are operating under a corrective action plan.
- 6.5.8 Utilization Control/Quality Assurance.
- 6.5.8.1 The Qualified Vendor shall, at all times during the term of this agreement, maintain an internal quality assurance system in accordance with current applicable AHCCCS rules and policies and Federal rules as specified in the current 42 CFR Part 456, as implemented by AHCCCS and the Division. Qualified Vendor requirements shall include, but are not limited to:
 - 6.5.8.1.1 Completing statistical or program reports as requested by the Division;
 - 6.5.8.1.2 Complying with any recommendations made by the Division's Statewide Quality Management Committee;
 - 6.5.8.1.3 Making records available upon request;
 - 6.5.8.1.4 Allowing persons authorized by the Division access to program areas at any hours of the day or night as deemed appropriate by the Division; and
 - 6.5.8.1.5 Providing program information, upon request, to the Division.
- 6.5.8.2 The Qualified Vendor shall cooperate with the Division and AHCCCS quality assurance programs and reviews.
- 6.5.9 Sanctions Against Qualified Vendor.
- 6.5.9.1 Sanctions imposed against the Division by AHCCCSA for noncompliance with requirements for encounter data reporting, referenced in "Records" of these Terms and Conditions, that would not have been imposed but for the Qualified Vendor's action or lack thereof will be assessed dollar for dollar against the Qualified Vendor.
- 6.5.9.2 Any other sanctions imposed against the Division by AHCCCSA in accordance with applicable AHCCCS rules, policies, and procedures that would not have been imposed but for the Qualified Vendors action or lack thereof will be assessed dollar for dollar against the Qualified Vendor.
- 6.5.9.3 Sanctions imposed against the Division by AHCCCSA for failure of a Qualified Vendor or any subcontractor to submit requested disclosure statements will be assessed dollar for dollar against the Qualified Vendor.
- 6.5.10 Fair Hearings and Consumers' Grievances.
- 6.5.10.1 The Qualified Vendor shall advise all consumers who receive services of their right, at any time and for any reason, to present to the Qualified Vendor and to the Division any grievances arising from the delivery of services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Division may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.
- 6.5.11 The Qualified Vendor shall maintain a system, subject to review upon request by the Division, for reviewing and adjudicating grievances by members or subcontractors concerning the actual provision of services and payment for same by or on behalf of the

Indemnitee, be indemnified by Qualified Vendor from and against any and all claims. It is agreed that Qualified Vendor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this agreement, the Qualified Vendor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Qualified Vendor for the State of Arizona.

6.7.6.1.2 This indemnity shall not apply if the Qualified Vendor or subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.7.6.2 *Insurance Requirements*

6.7.6.2.1 Qualified Vendor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this agreement, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Qualified Vendor, his agents, representatives, employees or subcontractors.

6.7.6.2.2 The insurance requirements herein are minimum requirements for this agreement and in no way limit the indemnity covenants contained in this agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Qualified Vendor from liabilities that might arise out of the performance of the work under this agreement by the Qualified Vendor, its agents, representatives, employees or subcontractors, and Qualified Vendor is free to purchase additional insurance.

6.7.6.2.3 Minimum Scope and Limits of Insurance: Qualified Vendor shall provide coverage with limits of liability not less than those stated below:

6.7.6.2.3.1 Commercial Scope and Limits of Insurance- Occurrence Form

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

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$50,000
- Each Occurrence \$1,000,000

a. The policy shall be endorsed to include coverage for sexual abuse and molestation.

b. The policy shall be endorsed to include the following additional insured language: *“The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Qualified Vendor”*.

- c. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Qualified Vendor.

6.7.6.1.2.1 Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this agreement.

Combined Single Limit (CSL)	\$1,000,000
-----------------------------	-------------

- a. The policy shall be endorsed to include the following additional insured language: *“The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Qualified Vendor, involving automobiles owned, leased, hired or borrowed by the Qualified Vendor”.*

6.7.6.1.2.2 Worker’s Compensation and Employers’ Liability

Workers’ Compensation	Statutory
-----------------------	-----------

Employers’ Liability

Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Qualified Vendor.
- b. This requirement shall not apply to: Separately, EACH Qualified Vendor or subcontractor exempt under A.R.S. 23-901, AND when such Qualified Vendor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

6.7.6.1.2.3 Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this agreement is written on a claims-made basis, Qualified Vendor warrants that any retroactive date under the policy shall precede the effective date of this agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this agreement is completed.

- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Qualified Vendor.
 - c. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this agreement.
- 6.7.6.2.4 Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:
- 6.7.6.2.4.1 The State of Arizona and the Department of Economic Security wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Qualified Vendor, even if those limits of liability are in excess of those required by this agreement.
 - 6.7.6.2.4.2 The Qualified Vendor's insurance coverage shall be primary insurance with respect to all other available sources.
 - 6.7.6.2.4.3 Coverage provided by the Qualified Vendor shall not be limited to the liability assumed under the indemnification provisions of this agreement.
- 6.7.6.2.5 Notice of Cancellation: Each insurance policy required by the insurance provisions of this agreement shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the Division's Contracts Management Section and shall be sent by certified mail, return receipt requested.
- 6.7.6.2.6 Acceptability of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Qualified Vendor from potential insurer insolvency.
- 6.7.6.2.7 Verification of Coverage:
- 6.7.6.2.7.1 Qualified Vendor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
 - 6.7.6.2.7.2 All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement, or to provide evidence of renewal, is a material breach of agreement.
 - 6.7.6.2.7.3 All certificates required by this agreement shall be sent directly to the Division's Contracts Management Section. The State of Arizona project/agreement number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this agreement

- 6.8.4.6.2 Coordinate a corrective action plan consistent with the severity of the violation.
- 6.8.4.6.3 Require the corrective action plan to be implemented within 90 days.
- 6.8.4.7 If a licensing deficiency is not corrected in a timely manner to the satisfaction of the licensing authority, the Division may cancel the agreement immediately on notice to the Qualified Vendor and may remove the residents.
- 6.8.5 Service Process for Wards of the State.

In the event that an individual calls or appears at a physical location of the Qualified Vendor seeking to service process (summons and complaint, petition or subpoena, etc.) upon a minor who is in the physical custody of the Qualified Vendor but is a ward of the State of Arizona, Department of Economic Security, Qualified Vendor agrees not to accept service of that/those document(s) and to refer the individual to the child's Support Coordinator. If, by error, Qualified Vendor or its agent accepts any service of process, a copy shall immediately be forwarded to the child's Support Coordinator and shall also contain a transmittal memorandum that indicates the date the legal document was received, the person receiving it and the place of service, as well as the child to whom it refers.
- 6.8.6 Gratuities.

The Qualified Vendor or its representative shall not offer or make employment or a gratuity to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the agreement, an amendment to the agreement, or favorable treatment concerning the agreement, including the making of any determination or decision about agreement performance.
- 6.8.7 Suspension or Debarment.
 - 6.8.7.1 The Qualified Vendor shall not be debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity.
 - 6.8.7.2 The Qualified Vendor shall not employ, consult, subcontract or otherwise reimburse for services any person or entity that is debarred, suspended or otherwise excluded from public procurement activity. This prohibition extends to any person or entity that employs, consults, subcontracts with or otherwise reimburses for services any person or entity substantially involved in the management of another entity that is debarred, suspended or otherwise excluded from public procurement activity.
 - 6.8.7.3 The Qualified Vendor shall not retain as a director, officer, partner or owner of five percent or more of the Qualified Vendor, any person, or affiliate of such a person, who is debarred, suspended or otherwise excluded from public procurement activity.
- 6.8.8 Survival of Rights and Obligations after Agreement Expiration or Termination.

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

**SECTION 9
ATTACHMENT B
QUALIFIED VENDOR APPLICATION AND DIRECTORY SYSTEM**

In order to complete the application and/or application amendment process, new and existing Qualified Vendors must use the Qualified Vendor Application and Directory System (QVADS or System) to enter information for submittal to the Division's web site as well as to generate the hardcopy application that must be signed and sent (with supporting documentation) to the Division. For instructions on how to complete the application and/or application amendment process using QVADS, please see the "QVADS User Manual" posted on the Division's website at www.de.state.az.us/ddd.

PLEASE REMOVE THE REMAINING PAGES IN SECTION 9, ATTACHMENT B (Pages 9 Att. B-2 through 9 Att. B-11). THESE PAGES ARE NO LONGER APPLICABLE.

**SECTION 9
ATTACHMENT D
FORMS J-119, J-125 & J-129
DATA-SHARING REQUEST/AGREEMENT
Instructions**

In order to complete the application and/or application amendment process, new and existing Qualified Vendors must use the Qualified Vendor Application and Directory System (QVADS or System) to access the required Data-Sharing Request/Agreement form(s) for submittal to the Division's web site as well as to generate the hardcopy form(s) that must be signed and sent to the Division. For instructions on how to complete the form(s) using QVADS, please see the "QVADS User Manual" posted on the Division's website at www.de.state.az.us/ddd.

PLEASE REMOVE THE REMAINING PAGES IN SECTION 9, ATTACHMENT D THROUGH ATTACHMENT F. THESE PAGES ARE NO LONGER APPLICABLE.