Cecile E. Young, Executive Commissioner

Request for Offer (RFO)

for

Food Service Management Software System (FSMS)

RFO No. HHS0011275

Date of Release: August 3, 2022

Responses Due: September 1, 2022 by 10:30 a.m. Central Time

NIGP Class/Item Codes

208-11	Application Software, (Not Otherwise Classified), Microcomputer
920-03	Application Service Provider (ASP), Web Based Hosted
920-05	Application, Infrastructure, Hosting and Cloud Computing Services, Vendor Hosted and Internally Hosted
920-40	Programming Services, Computer, Including Mobile Device Applications

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ARTICLE I. EXECUTIVE SUMMARY, DEFINITIONS, AND AUTHORITY

1.1 EXECUTIVE SUMMARY

The Texas Health and Human Services Commission (HHSC) is soliciting offers from qualified entities to implement and support a Food Service Management Software System (FSMS) for the State's Supported Living Centers (SSLC)'s and State Hospitals (SH)'s, including the administrative site at the Health and Specialty Care System (HSCS) Facility Support Services Nutrition and Food Service (FSS NFS).

HHSC Procurement and Contracting Services (PCS) will administer the procurement process for this Solicitation, which includes RFO publication, handling of communications from vendors, as well as managing the receipt of Solicitation Responses for review and evaluation.

Prior to award of the Contract, Respondent must obtain Texas Risk and Authorization Management Plan (TX-RAMP) Level 2 certification. TX-RAMP Provisional Status does not satisfy the TX-RAMP Certification Level 2 requirement. For this Solicitation, HHSC shall not provide "agency-sponsored" TX-RAMP Provisional Status certification to any Respondent.

Information regarding HHSC and its programs is available online and can currently be accessed at: https://www.hhs.texas.gov/.

1.2 DEFINITIONS

Refer to **Exhibit B, Health and Human Services (HHS) Uniform Terms and Conditions – Vendor, Version 3.2**, and **Exhibit C, Health and Human Services (HHS) Additional Provisions, Version 1.0,** for additional definitions.

As used in this Solicitation, unless a different definition is specified or the context clearly indicates otherwise, the following terms and conditions have the meanings assigned below:

"Addendum" means a written clarification or revision to this Solicitation issued by HHSC PCS and posted to the ESBD.

"Advancement Criteria" means the published criteria for Respondent to advance to the next phase of evaluation if multiple evaluation methods are utilized.

"Award Consideration (AC) Documents" means documents Respondent must submit as part of the Solicitation Response to be considered for negotiations or award.

"Competitive Range" has the same meaning as the definition under Title 1 of the Texas Administrative Code Part 15, Chapter 391, Subchapter A, Rule §391.107(3).

"Contract Term" means the period of time beginning with the commencement date or Effective Date of a Contract and ending when the Contract expires in accordance with its terms, or when it has been terminated.

"Data Center Services" or "DCS" means the program managed by Texas Department of Information Resources (DIR) that supports the consolidation of the computer environments of Texas agencies and includes the following service offerings: public and private cloud; print, mail, and digitization services; mainframe services; technology solutions services; and security operations.

"Database of HHSC Content" means current active/in use: items or ingredients (to include order codes, case/pack sizes, prices, storage locations, inventory groups, brands or field/s for notations), recipes to include HHSC standard use recipes and facility unique recipes (with production location, nutrient information, recipes with identified diet restrictions and allergens/ingredients identified for dislikes for use in Nutrition Care Process (NCP) module to generate tray tickets, diet types, menus (production menus for each location, snack menus, and patient menus for Austin/administrative site for nutrient analysis, and facility locations, primarily the location using the NCP module and limited patient menus at other facilities), and active vendors. Database to include NCP related active patient diet orders, diet types, diet restrictions, allergies, preferences, dining/serving locations, special notes (in use for NCP module at one facility currently) and resident identifier fields for confirmation of identity, to allow generation of tray tickets based on actual diet orders.

"DSHS" means the Department of State Health Services.

"Effective Date" has the same meaning as the definition in **Exhibit B, Health and Human Services (HHS) Uniform Terms and Conditions – Vendor, Version 3.2.**

"Enterprise Portal" refers to a gateway that provides access to many HHS and DSHS applications.

"ESBD" means the Electronic State Business Daily, the electronic marketplace where State of Texas bid opportunities over $25,000 are posted. The ESBD may currently be accessed at http://www.txsmartbuy.com/esbd.

"Event Management" refers to a change of state that has significance for the management of a Configuration Item (CI) or Information Technology (IT) service.

"Final Written Response Score" refers to the final scoring of the written response as documented in the Solicitation.

"Functionality Data" refers to data from software functionalities listed in **Section 2.2.11, (Data Migration)**.

"Go-Live" is when the system is in production and becomes available for use by the user

"HUB Subcontracting Plan" or "HSP" means written documentation regarding the use of subcontractors, which is required to be submitted with all responses to state agency contracts with an expected value of $100,000 or more where the state agency has determined subcontracting opportunities are probable. The HSP subsequently becomes a provision of the awarded Contract and shall be monitored for compliance by the state agency during the term of the Contract.

"Respondent" means the individual or entity responding to this Solicitation.

"Software as a Service" or "SaaS" means the Solution provided to HHSC to use the provider's applications running on a cloud infrastructure, as further defined by the National Institute of Standards and Technology (NIST). The applications are accessible from various HHSC devices through either a thin Client interface, such as a web browser (e.g., web-based email), or a program interface. HHSC does not manage or control the underlying cloud infrastructure including network, Servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

"Software Implementation Test Plan" refers to the process of testing implementations of technology specifications. This process serves the dual purpose of verifying that the specification is implementable in practice, and that implementations conform to the specifications.

"Solicitation Consideration (SC) Documents" means documents that must be submitted by Respondent with the Solicitation Response in order to be considered for evaluation and cannot be resubmitted or have errors remedied after the submission due date and time in the Schedule of Events has passed.

"Solution" is an implementation of people, processes, information, and technologies in a distinct system to support a set of business or technical capabilities that solve one or more business problems.

"State" means the State of Texas and its instrumentalities, including HHSC, and any other state agency, its officers, employees, or authorized agents.

"Total Score" means the Final Written Response Score plus any additional points for secondary evaluation activities, as outlined by this Solicitation.

"TX-RAMP" means the Texas Risk and Authorization Management Plan required by Texas Government Code § 2054.0593(a) for proposed cloud computing services. The program is operated by DIR and provides a standardized approach for security assessment, authorization, and continuous monitoring of cloud computing services that process the data of a state agency. To become TX-RAMP certified, entities must submit prescribed documentation to DIR. Information regarding TX-RAMP is currently located at: Texas Risk and Authorization Management Program (TX-RAMP) | Texas Department of Information Resources

"Turnover" means the effort necessary to enable HHSC, or its designee, to effectively close out the Contract and move the work to another vendor or perform the Work by itself.

"Turnover Plan" means the written plan developed by the Respondent, approved by HHSC, and to be employed when the Work described in the Contract transfers to HHSC, or its designee, from the Respondent.

"VPTS" means Vendor Performance Tracking System, as defined under Section 2262.055 of the Texas Government Code and Title 34 of the Texas Administrative Code Part 1, Chapter 20, Subchapter B, Division 2, Rule §20.115 and Subchapter F, Division 2, Rule §20.509.

1.3 AUTHORITY

HHSC is soliciting the services stated in this Solicitation under of the authority Texas Government Code §2157.068 (e-1). 1 TAC pt. 10, ch. 212, subch. C, §212.20

ARTICLE II. SCOPE OF WORK

2.1   STATEMENT OF WORK

2.1.1   Existing Environment and Technical Background

The Food Service Management Software System (FSMS) and Nutrition Care Process (NCP) software is a commercial off the shelf version which is hosted by a third party and has been used since the 1980s. In Fiscal Year 2013 the FSMS was upgraded to a web-based version for pilot projects at two State Supported Living Centers (SSLCs) and one State Hospital (SH). This software is routinely used by Health and Specialty Care System (HSHC), Facility Support Services (FSS) and Nutrition and Food Service (NFS) to validate the nutrient content of all standardized recipes and master and facility specific menus provided to SSLCs and SHs, in addition to complying with regulatory and accreditation care standards.

The FSMS software is currently used by HSCS FSS NFS staff at the administrative site and at twenty (20) remote physical sites throughout the State. The current FSMS system holds a total of forty-four (44) concurrent/full usage licenses, four (4) of the licenses have administrative rights. Additionally, there are three (3) NCP tray ticket generating concurrent user licenses for Central Office Nutrition, and nutrition staff at San Antonio State Hospital. A list of facilities can be found in **Exhibit M, Service Facilities.**

A second facility that uses FSMS software currently (Denton State Supported Living Center), plans to begin implementing NCP software before the end of year 1 of the Contract term (going operational may occur late in year 1, or early in year 2 of the Contract term). An additional facility (Austin State Hospital) not currently using FSMS, tentatively plans to implement FSMS and NCP software in year 2 or 3 of the Contract term (moving from contracted services from another HHSC facility to self-operation). However, there is no guarantee of this timeline for Austin State Hospital.

The current system contains an estimated 2000 active items and 2500 active recipes (nutrient analysis links, price/vendor links), in addition to the estimated 1200 recipes also linked for allergens, preferences and restrictions for the NCP management module.

Each facility develops menus including snack menus, which include a variety of diet extensions unique to their client population. There is not a master menu to cover all facilities. Each facility schema has some unique recipes and items, in addition to standard shared data, and a non-standard menu for production. The location with the add on module has multiple patient menus used for generating tray tickets. The FSS NFS will provide oversight to the design, implementation, and ongoing support of the FSMS, including the establishment of new or modified business practices and/or policies related to the system.

2.1.1   Scope and Solution Requirements

Respondent must provide a Solution that meets or exceeds the requirements as specified in this Solicitation. Contractor shall provide all software, hardware, and

personnel resources necessary to implement and maintain the Solution, unless specifically stated as the responsibility of HHSC.

Respondent shall provide a SaaS, including applications as described in this RFO and in compliance with all requirements herein and any terms and conditions of the Contract arising from this Solicitation.

Respondent must clearly demonstrate that the Solution meets the National Institute of Standards and Technology (NIST) standard definition of SaaS (NIST Definition of Cloud Computing SP 800-145). HHSC will be required to request and receive from DIR a DCS program exemption before a Contract can be awarded to a Respondent. Solutions that are identified as SaaS by the Respondent, but do not meet the standard definition of a SaaS, will be disqualified.

Contractor must comply with Texas Government Code § 2054.0593(a) for proposed cloud computing services. Contractor is required to obtain TX-RAMP Level 2 certification as specified in Texas Administrative Code §§ 202.27 and 202.77. To become certified, Contractor must submit documentation to the Texas Department of Information Resources (DIR) as to meeting the minimum requirements for TX-RAMP Level 2 certification. Information TX-RAMP located at: https://dir.texas.gov/texas-risk-and-authorization-management-program-tx-ramp. Contractor must provide HHSC proof of DIR TX-RAMP Level 2 certification with its Proposal and maintain certification through the Contract. Provisional Status does not satisfy the TX-RAMP Certification Level 2 requirement.

2.1.2   Functional Requirements

Contractor must provide a Solution that includes a food service management software solution for standardization and improvement of processes, with the ability to work with or include industry-specific software with configurable components, ease-of-use, and functionality for its end users.

The Solution must be capable of being adapted and modified to meet HHSC's business needs through configuration rather than customization. In addition, the Solution must be scalable and flexible to accommodate changes in technology, security, legislative mandates, and any other changes within the scope of this Solicitation.

The system shall be an integrated program allowing for single entry of information and non-redundant data entry across all functional areas. The Solution shall allow for use of the existing Database of HHSC content, without rebuilding of data by FSS NFS or program users.

Preferably, the system would provide a Solution that supports an open system standard so that it is interoperable between different vendors and standards, allowing for modularity so that hardware and software need not be attached to a single vendor or platform.

The Solution must have robust processing capabilities, agility in handling large quantities of data, and advanced production capabilities. As part of the Solution, Contractor must provide configuration, integration, implementation, data migration, testing, training, and a warranty period for its proposed system.

The scope of the project includes the following software functionalities:

    a. Ingredient Management;

    b. Recipe planning and management for a healthcare environment;

    c. Menu planning and management for a healthcare environment;

    d. Nutrition care process management;

    e. Nutrient analysis;

    f. Food production management;

    g. Inventory and distribution management;

    h. Purchasing and cost management;

    i. Reporting capabilities; and

    j. Control of user privileges by FSS NFS to maintain protection of program data.

The Contractor shall provide a Solution that meets the functional requirements specified in **Table 1, Functional Requirements.**

Table 1 - Functional Requirements	
Requirement ID	**Requirement**
Ingredient Management (IM)	
IM-01	Provide a system for managing ingredients, to include ability to customize ingredient names/descriptions, assign vendor order codes, assign case/pack sizes, assign prices, assign storage locations (at facility level), set categories of inventory, assign vendors, assign brand information, additional field for misc. information, and method for assigning nutrient links for ingredients.
IM-02	Assure no limit to the number of ingredients, to accommodate large number of ingredients on contract.
IM-03	Provide facility data updates on ingredient information listed in IM-01 (except for storage locations) from FSS NFS to facilities either as an individual facility update or as a facility group selection.
Recipe Planning and Management (RP)	
RP-01	Support development and maintenance of a master recipe file at the central level that can be distributed to facility locations with no limit to number of recipes in use.
RP-02	Allow copying and modifying of recipes.
RP-03	Provide automatic conversion of ingredients from volume to weight or weight to volume.
RP-04	Automatically scale recipes according to facility menu requirements (e.g., 4 - 1500 servings), considering edible portion of ingredients.

Table 1 - Functional Requirements	
Requirement ID	**Requirement**
RP-05	Allow for definition of minimum and maximum batch sizes for recipes.
RP-06	Automatically update nutrient analysis of recipes and menus which are recipe based when ingredients change.
RP-07	Provide recipe ingredient costs (showing cost of key ingredients for each recipe), recipe nutrient analysis, scaled production recipes, advance pull list, service requirements, and recipe production distribution summary (showing amounts of recipe to be sent to specific units or sub-units within a facility).
RP-08	Provide networked facility recipe updates from FSS NFS for ingredient, instructions, and nutrient analysis changes, either as an individual facility update or as a facility group selection.
Menu Development and Management (MD)	
MD-01	Allow user to easily plan the menu on screen so that as recipes items are entered, the software calculates and displays cost by serving, meal and day.
MD-02	Allow each facility to enter at a minimum, three month-long cycle menus for the regular/house or production menu diet and at least 30 modified diets with month-long cycles, per facility. Menu types or names can be customized, as determined by FSS NFS. Unlimited menu days are preferred.
MD-03	Create standard menu items and selective menu items.
MD-04	Be able to copy and edit all menus.
MD-05	Provide menu maintenance tools to allow rapid global changes of recipes in menus.
MD-06	Allow for automatic updates to the cost of menus as the recipe and/or inventory item costs change.
MD-07	Allow change of the forecasted number of residents (in a single field) and have this automatically adjust production requirements for recipe selections, including re-scaling of recipes and re-costing (on screen) of the menu.
MD-08	Allow for tracking over production to help improve forecasted servings needed.
MD-09	Be able to send menus and associated recipes from the main file (FSS NFS) to facility locations either as an individual facility update or as a facility group selection.
Nutrition Care Process (NCP)	
NCP-01	Include an NCP management module, for managing multiple diet order parameters, including therapeutic restrictions, food textures, allergens. Include preferences customized for each patient/resident, to create tray ticket reports, individualized nourishment labels and reports accessible to food

Table 1 - Functional Requirements	
Requirement ID	**Requirement**
	production. This module may be added by individual facilities with seamless integration.
NCP-02	Provide nutrient analysis of individual intake of meals, nourishments, nutritional supplements, or tube feeding products.
NCP-03	Provide automated substitutions of appropriate recipes while generating tray tickets, to meet parameters of diet orders, restrictions, and preferences. Be able to override restrictions by dietitian or diet tech, except allergies.
NCP-04	Provide for categorization of recipes based on nutrient parameters, restrictions, and ingredients, as determined by FSS NFS, to support customized tray tickets based on diet orders (such as nutrient restrictions and food allergies/intolerances).
NCP-05	Be able to send recipes with information used to generate customized tray tickets (nutrient parameters, restrictions, and ingredient identification) from FSS NFS to facility locations using the NCP area/module either as an individual facility update or as a facility group selection.
Nutrient Analysis (NA)	
NA-01	Generate nutrition analysis of all menus (via nutritional analysis of recipes and nutrient links for items/ingredients).
NA-02	Provide data updates for nutrient analysis, from USDA and vendor sources for food and nutrition supplement products.
NA-03	Provide menu nutritional analysis per meal, day, and date range averages.
NA-04	Provide on-screen menu nutritional analysis while building menus.
NA-05	Provide daily menu nutrient average and compare the daily average with the Reference Daily Intakes (RDI).
NA-06	Provide menu percentage of RDI for nutrients and percentage of calories from fat, saturated fat, carbohydrate, and protein.
NA-07	Conduct analysis of menu nutrients to include calories, protein, carbohydrate, total fat, saturated fat, Polyunsaturated Fatty Acid (PUFA), Monounsaturated Fatty Acid (MUFA), cholesterol, all major vitamins and minerals and dietary fiber.
NA-08	Be able to add nutrient data for food items/ingredients if no appropriate nutrient link exists in the software database.
NA-09	Distribute to all facilities updates related to nutritional analysis of recipes when recipes are changed or updated due to ingredient/product changes or nutrient database updates.

Table 1 - Functional Requirements	
Requirement ID	**Requirement**
Food Production Management (FP)	
FP-01	Analyze production requirements for multiple serving areas and consolidate those requirements into production recipes.
FP-02	Calculate the cost of the total production forecast with subtotals for distribution areas.
FP-03	Generate production reports for multiple serving areas to support accurate distribution in a centralized production kitchen for multi-site distribution.
FP-04	Generate customized tray tickets and instructions for the NCP area. Generate production reports from tray tickets and nourishments from the NCP area.
FP-05	Generate rapid menu-based food order calculations for vendor orders with an option to transmit to vendor and to export order in Excel format.
Inventory and Distribution Management (ID)	
ID-01	Include an inventory management module that enables the ability to control and pro-actively manage inventories.
ID-02	Solution allows maintenance of one master items/ingredient file controlled at the central level, but allows flexibility to choose different brands and package sizes for the facility level without having to create separate items.
ID-03	Include an inventory module that can maintain perpetual inventories for each facility which can be reconciled against physical inventories.
ID-04	Allow for updating of inventory pricing and value as it occurs.
ID-05	Must create and assign unlimited number of stock units per item (volume, weight, pack-size, each, etc.).
ID-06	Track and post internal inventory transactions and inventory costs.
ID-07	Allow items to have multiple storage locations for inventory purposes.
ID-08	Include a tool or system for inventory forecasting capabilities.
ID-09	Allow documentation of receiving inspection problems, and over/under receiving of purchased goods.
Purchasing and Cost Management (PR)	
PR-01	Provide a purchasing module that can manage purchasing processes specific to this Solution.
PR-02	Automatically generate purchase requirements based on total production needs with the ability to identify and add non-menu/non-nourishment items

Table 1 - Functional Requirements	
Requirement ID	**Requirement**
	purchased on a par-stock or reorder basis, such as floor stock items for resident/patient areas.
PR-03	Allow for invoice and purchase order reconciliation.
PR-04	Provide option for electronic data transfer of price updates from vendor or distributors.
PR-05	Allow for multiple vendors for an ingredient and show costs per unit on screen and/or via reports.
PR-06	Provide reports including purchases by vendor and vendor or item price change analysis.
PR-07	Purchase requirements reports by vendor.
Reporting and Analysis (RA)	
RA-01	Provide with Excel and other reporting capabilities.
RA-02	Include configurable dashboards, reports, and templates in areas to include ingredients, recipes, menus, food production, inventory, purchasing, costing, etc.
RA-03	Provide a user-friendly query interface that provides users with a selection of predefined queries for viewing and printing as well as allowing a remote facility to generate queries.
RA-04	Provide an on-line help system that provides the user with guidance throughout the modules in the system.
RA-05	Produce all reports electronically and in hard copy, as requested by HHSC, as well as on-screen (preview).
User Privileges (UP)	
UP-01	Be able to assign facility level user privileges by FSS NFS, to maintain protection of program data, while allowing full privileges to FSS NFS administrative users.

2.1.3 Hosting

Respondent must provide a Solution that meets the NIST standard definition of SaaS provided in NIST Special Publication No. SP 800-145.

   a. Deploy a SaaS solution that will allow for the incorporation of future enhancements.

   b. Acquire and maintain, at no charge to HHSC, the hardware and software required to host the SaaS.

c. Provide administration, help desk, maintenance, and technical support services of the SaaS to include a method to route first, second, and third level incidents to Contractor.

d. Specify if the SaaS solution is available as part of a Government Cloud offering and/or is compliant with the Federal Risk and Authorization Management Program (FedRAMP) requirements which are FISMA compliant and based on the NIST 800-53, current version.

e. Provide a Solution that meets or exceeds the requirements specified in **Table 2 (SaaS Service Level Requirements)**.

Table 2 – SaaS Service Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SAA-01	Off-Site Hosted Data	Contractor must make all agency data hosted off-site available to HHSC.
SAA-02	Planned Downtime	Contractor must coordinate and provide five (5) business days advance notice of planned downtime to HHSC.
SAA-03	Unplanned Downtime	Contractor must provide HHSC team at least sixty (60) minutes advance written notice of any known, unplanned downtime during usual food service hours, 7 days/week.
SAA-04	Data Back Ups	Contractor must back up all system agency data at a minimum every two (2) weeks with daily incremental backups at the Solution.
SAA-05	Remote Back Ups	Contractor must provide remote back-ups of System Agency Data.
SAA-06	Operational Changes	Contractor must inform and involve HHSC Team of any operational changes that may affect access to System Agency Data before Contractor implements any changes to the Solution.
SAA-07	Solution Reboot	If there are any changes to the Solution that require a reboot, Contractor must coordinate with HHSC Team at least ten (10) business days in advance.
SAA-08	Return of Data	Contractor must return all System Agency Data to HHSC or HHSC's incoming service provider within ten (10) business days of a written request by HHSC.
SAA-09	Monitoring and Alerting	Provide monitoring and alerting services to notify HHSC staff upon detection of a service disruption.

2.1.4 Technical Compatibility and Required Services

HHSC prefers to minimize the use of third-party applications for added functionality but encourages the ability of third-party integration through open system standards. The Solution must also include the following processes and services:

  a. Data integration and interoperability tasks;

  b. Data conversion tasks;

  c. Be compatible with Single Sign On (SSO);

  d. Have an intuitive and consistent user interface;

  e. Comply with Health Insurance Portability and Accountability Act (HIPAA) and Personal Identifiable Information (PII) data compliance constraints;

  f. Comply with HHSC's accessibility policy: Texas HHS Accessibility Center - EIR Accessibility Policy, Chapter 2 (https://accessibility.hhs.texas.gov/policy_htm/ch2.htm#2.2.2);

  g. Be scalable to increase or decrease the number of users, number of licenses, storage capacity, and number of HHSC-assigned instances; and

  h. Comply with Title 1, Texas Administrative Code, Chapter 213, Sub Chapter B, Accessibility for state agencies

    1. Provide exposed Application Programming Interface (API)s, an API gateway, or Extract-Transform Load (ETL) toolset for future integrations;

    2. Comply with system security requirements listed in **Section 2.1.8 (System Security)**; and

    3. Comply with system maintenance and support requirements in **Section 2.2.20 (Maintenance and Support Requirements).**

2.1.5 Implementation and Deliverables

The selected Contractor to implement FSMS system must develop a comprehensive and detailed strategy and methods for the implementation of software. HHSC requires an implementation schedule as shown in **Exhibit F, Cost Proposal**.

Respondent shall develop a comprehensive implementation plan which Respondent will detail in **Exhibit K, Project Work Plan.** After Contract award, the Contractor will provide an updated **Exhibit K, Project Work Plan** on or before the 7th business day from the kick-off date and after each milestone or following a change to the project. Dates for milestones are negotiable, excluding the Production Deployment/Go-Live date. **Exhibit K, Project Work Plan** will include the following:

  a. Communication protocols;

  b. Technical standards for modifications, security, conversion, and system administration;

c. Project timeline, scheduling, milestones, deliverables, and benchmarks, including due dates, dependencies, and critical path items; and

d. Contractor must provide a Deliverable Expectation Document (DED) for each phase. The DED due on or before the 7th business day from the kick-off date and after each milestone or following a change to the project and must detail how the Contractor will verify and meet the requirements in regard to purpose, scope, content and within the timelines provided. The date for solution to be implemented, tested and Turned Over to HHSC is September 30, 2023. Service Phases and High-Level Timeline is comprised of three phases:

1. Implementation and Transition;

2. Operations; and

3. Turnover date: September 30, 2023.

e. Weekly status reports;

f. Task management and tracking;

g. Project meetings and documentation;

h. Testing, security risk assessment and deployment service plans;

i. Training Plan;

j. Data migration plan;

k. Managing Go-Live and Turnover Plan; and

l. Functional Expertise:

1. Contractor must develop a business requirement and design plan which can be prepared during the implementation phase which may contain the business rules, desired functionality and a Fit-Gap analysis recommendation describing the gap between the licensed software and HHSC requirements and the resolution of any identified gaps;

2. Contractor must provide assistance in the development of data interfaces and data transfer to/from other HHSC systems whenever applicable; and

3. Contractor must provide assistance in designing the Licensed Software process, workflow, functional, technical, and security requirements via software configuration wherever applicable.

2.1.6   Enterprise License

HHSC is the licensee for purposes of any license granted to HHSC under this Contract. HHSC oversees operations of the entire HHS System in Texas and as authorized by applicable statute, provides administrative support to certain state agencies such as DSHS. HHSC's internal business use includes any activities consistent with its statutory authority and such activities shall not be construed to

be a service bureau, application service provider, provider of services to third parties, distribution outside of HHSC's organization, or similar activity.

2.1.7   Project Teams

The project organization will comprise of a core project team from HHSC and the Contractor's project team. The Contractor will describe the FSMS Implementation project organization in the Solicitation Response. It is expected to have a senior functionary heading the project team supported by separate coordinators for various modules of implementation. Contractor must select an additional coordinator to serve as the communication focal point between the customer, HHSC, FSS, NFS, and Food Services Management Software's hosting site provider.

The attendees from the FSMS Implementer in the core project meetings must be officials of senior management (typically main project team and stakeholders) who will be able to address decisions on pertinent points. HHSC will subsequently define the members of the core project team.

2.1.8   System Security

Contractor will develop, implement, and maintain a comprehensive written information security plan that contains administrative, technical, and physical safeguards.

Contractor must:

a. Comply with system security requirements on **Table 3 (Security Requirements).**

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SEC-01	Texas Laws	Contractor must perform services in compliance with applicable laws with respect to information security and privacy, as they currently exist or may hereafter be amended, including without limitation, laws with respect to incident response and breach notification. Applicable laws for Information Security and Privacy include, but are not limited to: a. Texas Administrative Code (TAC) 202, 206, and 213, current revision can be found at: http://www.sos.state.tx.us/tac/; b. Texas Health and Safety Code, Title 2, Subtitle E, Chapter 108; and c. Texas Government Code, Section 2054.0593; and Texas Administrative Code, Title 1, Part 10, Chapter 202, Subchapter B.
SEC-02	NIST	Contractor must comply with the current version of NIST 800-53, and NIST 800-88.

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SEC-03	Location	Contractor must operate from, or be housed within, multiple data centers in geographically disparate locations, with adequate redundancy, hot and warm standby servers, and failover mechanisms. The data centers shall be located in the continental United States of America.
SEC-04	Records Management	Contractor must comply with federal (e.g., 45 CFR §164.316), State, and program records management policies and retention schedules for all Contractor must comply with the current version of NIST 800-53, and NIST 800-88, with the exception where a different retention period is specified by HHSC.
SEC-05	Data Retention	Contractor must provide a Solution which maintains System Agency Data for a minimum of seven (7) years. Records older than seven (7) years may be archived but must still be actively accessible by HHSC.
SEC-06	Infrastructure	Contractor must provide infrastructure to include single tenant partitioning, redundancies, and failover mechanisms. The infrastructure must include procedures for "hardening" of the hardware, operating systems, and software to reduce the systems' surface of vulnerability.
SEC-07	Mechanisms	Contractor must provide security mechanisms used to identify and control the account types, and password management, to meet defined regulation and security requirements.
SEC-08	Role-Based	Contractor must provide a role-based security which allows for access privileges to users based on predefined roles and controlled by user and customer authentication mechanisms for usernames, IDs, and password, to include the ability to track and monitor role assignments and track data access. All access rights for employees and external entities to information and information processing facilities shall be revoked upon termination of their employment, Contract, or change of agency by the close of business on the user's last working day.
SEC-09	Architecture	Contractor must provide programming architecture and ability to integrate with other system vendors and other government or civil authorities, including other emergency management agencies.

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SEC-10	Equipment	Contractor must ensure that all equipment utilized by the Contractor is equipped with hard disk drives that shall have the capability to securely erase data written to the hard drive prior to final disposition of such equipment, either at the end of the equipment's useful life or the end of the related services agreement for such equipment, in accordance with TAC §202 and NIST SP 800-88 Rev 1 Guidelines for Media Sanitization.
SEC-11	Monitoring	Contractor must fulfill HHSC's monitoring requirements for continuing compliance. The Contractor must describe system and application logging and monitoring of user access activities, authorized and failed access attempts, system exceptions, critical information security events, complete an annual risk assessment based on NIST 800-53 and develop a system security plan based on this risk assessment (gaps identified in the risk assessment). The Contractor must include monitoring and alerting integration with HHSC's Dynatrace monitoring system for Event Management.
SEC-12	Certification	Contractor must provide proof of certification, accreditation, or audit on a yearly basis to HHSC to validate the SaaS solution security (e.g., SOC 2 type II/SOC 3, ISO 27001).
SEC-13	Resources	Contractor must provide automatic monitoring of resource utilization and other events such as failure of service, degraded service, etc. and viewing results on a service dashboard or other electronic means. Appropriate control mechanisms and limiting of dashboard view shall be available. Monitor systems and resources to ensure they shall be available when needed.
SEC-14	Integration	Contractor must provide integration options for configurable account synchronization tools as sources for provisioning, de-provisioning, account disablement and enablement. Synchronization communication shall be conducted over Secure Sockets Layer (SSL)/Transport Layer Security (TLS) session. The integration with directory services must include options to support integrated authentication and authorization model SSO.

**Table 3 – Security Requirements**		
Requirement ID	**Requirement Name**	**Requirement**
SEC-15	Contractor Data	Contractor must provide production environments and the ability to ensure data is not comingled with Contractor or other client's data through appropriate application security measures.
SEC-16	Separation of Duties	Contractor must implement separation of duties protocols to reduce the risk of accidental change or unauthorized access to operational software and business data. There shall be a separation of duties based on development, test, and operational facilities. Confidential data shall not be copied into test and development systems. Data and operational software test systems shall emulate production systems as closely as possible.
SEC-17	Log	Contractor must provide log reviews and frequencies to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. Any security threats and vulnerabilities shall be handled as a P1 incident. An incident report with actions taken must be delivered to HHSC within five (5) business days from security breach.
SEC-18	Password Security	Contractor must provide password complexity requirements in accordance with Texas Administrative Code (TAC) 202 and HHSC Policies and Standards to ensure best practices standards are followed to provide for sufficient user and customer account protection.
SEC-19	Access Management	Contractor must integrate with HHSC's Enterprise Portal for Identity and Access Management (IAM) and SSO. The Enterprise Portal is used to request and provision access to systems and recertify access on a recurring basis.
SEC-20	Validation	Contractor must validate all updates, modifications, and enhancements in the test or development (non-production) environment prior to moving the change to the production environment.
SEC-21	Assessment	Contractor must perform a risk/security assessment and dynamic and static web application scans prior to release.
SEC-22	Information Security Controls	Contractor must provide a Solution that adheres to HHSC's security controls and requirements. If more than one standard or law requires the same information security and privacy control, the Contractor must implement the most restrictive requirements for the specified control.

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SEC-23	Information Security and Privacy	Contractor must adhere to the security controls and requirements as shown in **Exhibit D, Data Use Agreement (DUA), Version 8.5**, unless the Contract specifies that HHSC is the provider for a specified control.
SEC-24	Security Changes	Contractor must implement changes to the Solution during the Contract Term for the Solution to be compliant with changes in applicable laws or HHSC's security standards. HHSC's required security controls are available on the HHS website page, "Vendor Resources," https://www.hhs.texas.gov/business/contracting-hhs/vendor-resources.
SEC-25	Security Controls	Contractor must coordinate with HHSC's security team to understand, interpret, and align the Solution with the detailed security controls.
SEC-26	Security Deliverables	Contractor must complete required security deliverables within the timeframe agreed upon by HHSC.
SEC-27	Monitoring Requirements	Contractor must fulfill HHSC's monitoring requirements within the timeframe agreed upon by HHSC for continuing compliance.
SEC-28	Interface Control Document (ICD)	Contractor must create and maintain an online electronic document for all interfaces in an Interface Control Document (ICD) which will include data layout documentation, data mapping crosswalk, inbound/outbound capability, and frequency of all interfaces. The ICD must: a. include documentation of HHSC's Program owner, the name and phone number of the contact within the Contractor organization, the distribution frequency of the interface, the interface layout, including field definitions and descriptions, the purpose for the interface, and a change log; b. be updated upon implementation of any change that affects any ICD item; and c. be accessible by HHSC approved staff and trading partners.
SEC-29	Industry Encryption Standards	The Solution must use the highest-level industry accepted encryption standards for data as follows: a. Encrypt at rest and in transit;

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**

		b. Encrypt file transfers and transmit via a secure method;
		
		c. Encrypt confidential information, including personally identifiable information (PII), stored in system databases to prevent malicious capturing of such information; and
		
		d. Contractor shall be responsible for meeting or exceeding HHSC's minimum storage/backup encryption requirements as follows:
		
		    i. Disk Storage – Data must be encrypted; and
		
		    ii. DR Storage – Data must be encrypted.

SEC-30	FIPS 140-2 Encryption	The Solution must use FIPS 140-2 validated modules for encrypting confidential and sensitive information.
SEC-31	Transport Layer Security (TLS)	The Solution must use the latest version of TLS, version 1.2 or higher.
SEC-32	Data at Rest and in Transit	The Solution must encrypt all System Agency Data stored at rest and in transit.
SEC-33	Encryption Mobile Devices and Networks	The Solution must encrypt System Agency Data accessed by mobile devices or networks.
SEC-34	Remote Access Encryption	The Solution must encrypt all System Agency Data accessed remotely from a shared network.
SEC-35	Secure Data Transmissions	Contractor must transmit all System Agency Data in a secure manner to prevent unauthorized exposure of data.
SEC-36	Encryption Public Networks	Contractor must provide controls for provisioning accounts, authorization, account/credential verification, audit/logging, VPN, TLS/SSL, HTTPS, TCP/UDP port restrictions and Secure File Transfer Protocol (SFTP).
SEC-37	Security Safeguards	a. Contractor must establish, monitor, and maintain reasonable administrative, technical, and physical safeguards against unauthorized access, destruction, loss, or alteration of System Agency Data or information in the possession of Contractor in compliance with the Contract and applicable law. b. Provide products and methods for safeguarding database(s), the integrity of all stored data and electronic images, and the security of all files from unauthorized access.

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
		c. Provide ability to separate and prevent unauthorized access to production and non-production environments; and the ability to ensure data is not commingled with Contractor or other client's data through appropriate application security measures.
		d. Provide logging capabilities on systems supporting the SaaS system to monitor user access activities authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards.
SEC-38	Network Security	Solution must provide Network Security to include, but not be limited to, network firewall provisioning, intrusion and malicious activity detection and prevention, denial of service protection, independent and accredited third party penetration testing. The Contractor shall maintain network security that conforms to current standards set forth and maintained by the NIST. a. Malicious Code: Contractor shall represent and warrant that the software, application, and network shall be free from all computer viruses, worms, time-outs, other harmful or malicious code intended to, or which may damage, disrupt, inconvenience or permit access to the software user's or another's software, hardware, networks, data, or information. If the Contractor is aware of any security incident, vulnerability or other malicious code within their software or network the Contractor shall immediately disclose this information to the HHSC via telephone and e-mail, as well as identify a timeline to mitigate and eliminate the risk. b. Contractor must provide security measures regarding communication transmission, access, and message validation. c. Contractor must provide reviews of network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary. d. Contractor must develop specific networking protocols used by the system and ability for system operation in

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
		case of internet failure, (e.g., users can continue to process in offline mode and automatically synchronize when service is restored). e. The Solution must enforce strong user authentication and password control measures to minimize unauthorized access.
SEC-39	Administrative Security	a. Contractor must ensure security requirements are met for production and backup systems. Security responsibilities include responsibilities for supervision of information owned and or operated by the Contractor, administration of the infrastructure, implementing or maintaining security and the protection of the confidentiality, integrity, and availability of information systems or processes. b. Contractor must provide capability to detect, and report attempted unauthorized entries into the facility and system. c. Regulations and Security Requirements: The Contractor must provide security requirements, including ISO, NIST, TAC 202, and Federal Information Security Management Act (FISMA) security requirements.
SEC-40	Auditing	a. Contractor must provide audit control methods and requirements. The controls must address but are not limited to user access, user identification linked to any changes to the system and data and provide an audit process that make all audit data accessible to state and federal audit staff. The audit trail of all transactions shall track date, time, user, and end-user device that initiated the transaction. The audit data shall be protected, non-repudiated and restricted to authorized staff. Retention of the audit records shall be retained online for a HHSC agreed to period and further preserved offline as required by State and Federal laws and regulations. b. Contractor must provide real-time notification to appropriate HHSC officials in the event of an audit processing failure. c. Contractor must provide security log reports in a mutually agreed upon format. Reports shall include

Table 3 – Security Requirements		
Requirement ID	**Requirement Name**	**Requirement**
		latency statistics, user access, user access IP address, user access history, and security logs for all files related to this Contract. d. Contractor must provide Statement on Standards for Attestation Engagements (SSAE)-16 SOC 1 and SSAE-16 (SOC) Type II Reports.

SEC-41	Incident Management	Contractor must provide methods for detecting, reporting, and responding to incidents, vulnerabilities, and threats including:
		
		a. Contractor must provide notification, in writing, to HHSC Director of Vendor Management and Director of Transformation Management within twenty-four (24) hours following the Contractor's discovery or belief there has been unauthorized exposure, access, disclosure, compromise, or loss of sensitive or confidential HHSC information ("security incident" or "data breach"). This shall occur immediately on the discovery of the unauthorized disclosure.
		
		b. Contractor must provide a written status update report to HHSC detailing the circumstances of the incident within one (1) hour of the discovery or reasonable belief of a security incident, which includes at a minimum:
		
		    i. Nature of the security incident.
		
		    ii. Type of HHSC information involved.
		
		    iii. Identification of who may have obtained the HHSC information.
		
		    iv. Steps the Respondent has taken or will take to investigate the Security Incident.
		
		    v. Steps the Respondent has taken or will take to mitigate any negative effect of the security incident, and a point of contact for additional information.
		
		    vi. Business Process Improvement process and methods.
		
		    vii. Capacity planning methods and processes.

SEC-42	Data Isolation	Contractor must ensure HHSC software, data, and applications are isolated so that the Contractor's other data

Table 3 – Security Requirements		
Requirement ID	Requirement Name	Requirement
		center customers sharing physical or virtual space cannot access HHSC data without HHSC authorization.
		Document and demonstrate the logical data isolation that is maintained within the multi-tenant environment throughout all aspects of the system's functionality and system administration.

2.1.9 Testing

The Contractor shall work collaboratively with HHSC to develop and execute a Software Implementation Test Plan of the FSMS systems application and any customized components. HHSC will execute the Software Implementation Test Plan and measure acceptance against the HHSC-established acceptance criteria. Once the acceptance criteria are met, HHSC will provide written approval of the implementation of the following software:

a. Contractor must provide a testing environment for evaluation of system updates, patches, or hotfixes;

b. Contractor must perform Unit Test, System Test, Load and Performance Test and provide test results to HHSC;

c. Contractor must update Test/User Acceptance Testing (UAT) environment configuration data with production environment data prior to any UAT;

d. Contractor must provide implementation support required to meet the on-time, on budget, and successful completion of the project;

e. Contractor must demonstrate compliance with all requirements during UAT;

f. Contractor must provide test data for HHSC staff to conduct UAT;

g. Contractor's test data must demonstrate the State-specific configurations;

h. Contractor must participate in, and support HHSC staff, conducting UAT for the Solution in troubleshooting any issues and answering inquiries;

i. Contractor must remediate any defects before Turnover;

j. Contractor must perform Load and Stress Test (LAST) on the Solution prior to release into the production environment;

k. The Solution must complete penetration testing to verify that all vulnerabilities are identified and mitigated. All identified defects and risks must be remedied before the Turnover;

l. Contractor must remediate deficiencies encountered during penetration testing within ten (10) business days of receiving notification;

m. Contractor must obtain written approval from HHSC that UAT was completed; and

n. In addition to any other rights and remedies available under the Contract, HHSC has the right and the option to terminate the Contract for cause in the event that the Contractor fails to remedy deficiencies and meet the UAT test criteria after three (3) attempts.

2.1.10 Training

The Contractor shall deliver functional and technical training for FSS NFS administrators and end users of both modules of the system Solution, including database, application software and transfer of knowledge.

a. Contractor shall provide formal training to HHSC end users through a myriad of methods including, but not limited to, on-site classes, Train-the-Trainers, webinars, user guides and PowerPoint presentations to support pre- and post-launch use of the system. Online access to recorded webinars, videos, user guides and other multimedia may also be provided by the Contractor.

b. Contractor will provide two (2) levels of training: Solution administrators and base users. Training must be conducted in staged approach where Solution administrators are provided training during development of the Solution and prior to the start of UAT.

c. HHSC's project implementation team in collaboration with the Contractor will suggest, approve, and coordinate, the training duration and environment.

d. Training materials must be provided to HHSC staff five (5) business days before scheduled training and must be approved in writing by HHSC staff.

e. The test environment required for the training must be set up by the Contractor before the training commences.

f. Contractor must provide a Troubleshooting Guide in electronic/online and hardcopy format at HHSC's request, for users to address common application issues such as password logins, search problems, error messages, etc.

2.1.11 Data Migration

Contractor will provide the data migration plan and will be responsible for all data migration including Functionality Data. FSMS Implementer will provide all the data master formats to ensure proper data migration.

Contractor must perform all necessary data migration and conversion activities to extract critical data from the legacy system and load the data into the Solution. The Contractor's migration activities include:

a. Working collaboratively with HHSC to complete data mapping, security specifications, database conversion and migration for the Solution;

b. Having knowledge of the data prior to migration to avoid unexpected issues;

c. Making all records available for HHSC review in the Solution within twenty-four (24) hours after the records are migrated;

d. Auditing a minimum of fifty percent (50%) of the data migrated to verify redactions and data tagging from the legacy system are maintained;

e. **Cleanup** – Contractor must identify and resolve any issues which may require additional software tools and third-party resources because of the scale of the work;

f. **Maintenance and protection** – Contractor must set in place a data quality maintenance process as data undergoes degradation after a period of time, making it unreliable;

g. Resolving any migration issues that are discovered within three (3) business days of discovery;

h. Migrating all data into the Solution must retain data tagging, redactions, and comments; and

i. Obtaining written approval from HHSC that all migration requirements have been completed.

2.1.12 Users

Contractor must provide a Solution that meets the requirements specified in **Table 4 (Users Requirements)**.

Table 4 – Users Requirements		
Users	**Description**	**Number of Users**
Base Users	Concurrent / Full usage licenses	45
Administrative Users	HHSC's staff that serve as Solution administrators to provide user support. The administrators are considered Subject Matter Experts (SME) and will assist in training HHSC's staff on the Solution. The administrators must have access to all areas of the Solution to be able to troubleshoot technical issues related to the Solution.	4
NCP Users	Concurrent users for NCP tray ticket generating module (2 facilities).	6

2.1.13 Scalability and Availability Requirements

Contractor shall provide a Solution that meets or exceeds the requirements specified in **Table 5 (Scalability and Availability Requirements).**

Table 5 – Scalability and Availability Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SAR-01	Capacity Standards	The Solution must meet and exceed the performance and capacity standards as identified in **Section 2.1.1 (Existing Environment and Technical Background)**.
SAR-02	Scalable Solution	The Solution must be scalable to accommodate growth in data volume and maintain flexible architecture for future advancements in FSM and NCP technology. Any modifications to the Solution, as a result of growth, must not involve complex reconfiguration or data migration.
SAR-03	Solution Availability	The Solution must satisfy performance service levels in the processing of data (maintain Solution availability (uptime) of 99.99% for 24x7 availability, three hundred sixty-five (365) days per year).
SAR-04	Root Cause Analysis (RCA)	The Contractor must provide a Root Cause Analysis (RCA) for any outages resulting in longer than one (1) hour of unscheduled Downtime within a reporting period. The RCA is due to HHSC Team within twenty-four (24) hours of the outage.
SAR-05	Corrective Action Plan (CAP)	Contractor must provide a Corrective Action Plan (CAP) for any outages resulting in longer than one (1) hour of unscheduled Downtime within a reporting period. The CAP must identify actions the Contractor will take to ensure the ability to correct deficiencies that caused the outage, as identified in the RCA. The CAP is due to the HHSC Team within seventy-two (72) hours of the outage.

2.1.14 Solicitation Availability Calculation

In addition to any other right or remedy available under the Contract, HHSC is entitled to a credit for the cost of the Services, as described in **Table 6 – (Solution Availability Service Credit Calculation)**, for Contractor's failure to achieve the Solution Availability requirement.

    a. The Contractor shall calculate Solution availability as total available hours divided by total hours within a calendar month and display the Contractor Solution availability percentage calculation to one decimal of precision (e.g., one-tenth of one percent, 98.5%).

    b. For any outages resulting in longer than one (1) hour of unscheduled downtime within a reporting period, Contractor shall provide HHSC a narrative description of the outage, root-cause, and associated correction.

    c. The downtime calculation shall start exactly when the downtime commences and shall be calculated in one-hour increments (e.g., downtime of a fraction of an hour shall be calculated in whole hour increments). downtime calculation includes both scheduled and unscheduled downtime.

d. If Contractor fails to achieve Solution availability of ninety-nine and nine tenths (99.99%) for any six (6) months out of any rolling twelve (12) month period, such failure must be deemed a material breach of the Contract.

Table 6 – Solution Availability Service Credit Calculation	
Solution Availability	**Service Credit Calculation**
99.99% - 100.0%	Not applicable
95.0% - 99.5%	5% of the full monthly cost for affected period
90.0% - 94.9%	10% of the full monthly cost for the affected period
Less than 89.9%	15% of the full monthly cost for the affected period

2.1.15 Managing Go-Live and Turnover Plan

The Contractor will provide a detailed plan which lists specific activities of the Go-Live event. The plan shall ensure that the core activities from hardware procurement, deployment, and UAT have been approved by HHSC's project lead. Contractor must provide support during Turnover, preferably on-site, including ensuring end user training and documentation are all completed before Turnover.

Contractor must perform Turnover services without interruption and diminished performance of the Solution. All enhancements must be completed before turnover ends.

Contractor must provide a comprehensive Turnover Plan that details the proposed schedule, activities, and resource requirements for an orderly and expeditious transfer of services to HHSC or an incoming service provider. The Turnover Plan must describe the turnover tasks in content, media, and format approved by HHSC.

The Turnover Plan must be approved in writing by HHSC before turnover begins and Turnover services are not complete until HHSC provides written approval of Turnover Report. Clarifications or modifications to the Turnover Plan must be made by Contractor no later than five (5) business days from the date of HHSC's written request.

Contractor must provide HHSC or incoming service provider with a complete Turnover Report that includes all Contractor artifacts, tasks, a current data dictionary, data, documentation of completion of turnover tasks and activities, and results of each step of the Turnover Plan.

The Contractor must schedule a kick-off meeting with the HHSC team to familiarize project team members with the project and develop baseline expectations between HHSC and the Contractor, within five (5) business days from the Contract Effective Date. The Contractor must provide presentation materials two (2) business days prior to meeting with the HHSC Team and revise materials to comply with Contract requirements in accordance with HHSC written notice.

The Turnover Plan, at a minimum, must include the following:

a. A schedule of turnover activities, with timelines and milestones specified for key tasks;

b. General description of deliverable;

c. Delivery risks and mitigation strategies;

d. The method for identifying all data, assets, and intellectual property to be turned over; and

e. Contractor must provide all Solution documentation to include, but not limited to:

   1. Instructions;

   2. Operation manuals;

   3. Solution manuals;

   4. Training manuals; and

   5. Troubleshooting guides.

f. A risk register for the turnover activities that identifies potential risks, prioritizes the risks based on probability and impact, and establishes appropriate risk management strategies, to include unresolved issues, defects, and errors;

g. A communication plan to facilitate interaction between Contractor and the successor service provider during turnover activities including any assumptions and dependencies;

h. Solution documentation must contain instructions and guides on how to maintain state-specific configurations;

i. Contractor must provide a Readiness Assessment Plan/Results report that describes how the results were collected and include recommended approaches to resolve any identified problems or issues with the Solution. The Readiness Assessment Plan/Results report must evaluate the Contractor's ability to support users' ability to log in and use the Solution, the developed business procedures and processes; reporting; and the security of the data export. The readiness assessment results must include a formal statement that acknowledges the planned completion of the Transition phase and HHSC's ability to assume service delivery responsibilities without any issues or problems; and

j. Contractor must provide an electronic searchable data dictionary for the Solution, using industry best practices to be approved by HHSC.

2.1.16 Post Turnover Support

Contractor shall provide immediate and timely support following the Turnover to confirm successful cut-over to production and provide prompt response and resolution of any production issues. Contractor will provide prompt and effective support for the duration of the Contract to resolve all implementation, operational and production issues.

User guides, training materials and systems specifications will also be converted to final release version during this stage. The post Turnover support will address all user level queries, fixing bugs, incorporation of new requirements owing to legal, statutory and policy changes, changes to configurations, patch updates, upgrades, database administration, security, etc. For this purpose, the Contractor is expected to provide detailed processes to be followed for logging requests, assigning requests to specific individuals, recording resolution, tracking overall time taken for resolution, etc.

    a. Contractor shall provide the Licensed Software and Software Maintenance and Technical Support Services necessary to support the system;

    b. Response Times - Contractor shall provide a "Response Time Schedule" indicating response times to service requests in accordance with priority and/or critical level. Response time is defined as the period between the receipt of a service call from HHSC and the time until service technician responds with repair efforts underway and the return of the affected systems to normal operations; and

    c. Escalation Protocol - In its offer, Respondent must propose for HHSC's consideration an escalation protocol for collaboratively resolving issues encountered during the term of any Contract resulting from this RFO. The proposed escalation process protocol must explain how issues or complaints are prioritized and resolved. The protocol shall include:

        1. An organization chart addressing topics such as specific steps to be taken on top priority issues or disputes arising due to untimely response to system down or critical malfunction remedial repair requests;

        2. This protocol shall include an organization chart addressing topics such as specific steps to be taken on top priority issues or disputes arising due to untimely response to system down, critical malfunction remedial repair requests or any other top priority service requirements of a contract resulting from this RFO which are not met; and

        3. A notification process to provide reasonable notification to HHSC's project team leaders of planned changes to the Food Services Management Software network or hosting environment that could potentially impact the customer. Reasonable notification is defined as five (5) business days unless otherwise specified. Typically, said changes will be scheduled to occur after hours as to not impact the customer.

2.1.17 Project Completion and Acceptance of Deliverables

The completion criteria are defined as follows:

    a. Each written Deliverable must be reviewed and approved by HHSC prior to its use. Approval will be granted if HHSC determines the Deliverable conforms to the Deliverable Expectation Document (DED) and the specifications identified in the Contract. HHSC's approval of Contractor

work products or processes will not relieve the Contractor of liability of errors and omissions in the work products or processes;

b. If any Deliverable cannot be provided within the scheduled timeframe, the Contractor must contact HHSC's Project Manager, in writing, and provide a reason for the delay and the proposed revised schedule, which HHSC may accept or reject at its sole discretion. HHSC's acceptance of a Deliverable after the applicable due date does not relieve the Contractor from its obligation to timely submit a complete Deliverable by the specified due date;

c. HHSC shall notify the Contractor in writing of Deliverable approval or rejection, along with the reason(s) for rejection and the steps the Contractor must complete so the Deliverable will be acceptable;

d. Upon receipt of the corrected and resubmitted Deliverable, HHSC shall review the corrected deliverable to confirm that the identified deficiencies have been corrected and brought into compliance with specifications and that the corrections have not directly or indirectly caused other deficiencies. HHSC shall have the option to continue the evaluation process until the written Deliverable is brought into compliance with the Contract specifications;

e. Functional, integration, stress and user acceptance testing must be satisfactorily completed for all functionality to include, but not limited to production, testing and training environments;

f. Documentation of business processes, end-user procedures and an end-user training plan, production computer environment must be established and documented;

g. All system interfaces must be completed and tested;

h. Data conversion process must be completed, tested, auditable and reconcilable to include Legacy data;

i. Technical system management procedures documented and are in place;

j. Documentation of the Turnover Plan must be completed;

k. System Turnover achieved and the system is in production. Transfer of knowledge to allow HHSC to independently maintain, administer, and tune the FSMS system;

l. Acceptance of all Service Level Agreements (SLA)'s by both parties; and

m. Any Deliverable that is not explicitly accepted by HHSC is rejected.

2.1.18 Quality Processes

Contractor is responsible for management of quality processes and software industry best practices that ensure the successful completion of technology assessment and planning deliverables associated with this SOW. Examples of appropriate processes include but are not limited to:

a. Any recommended changes will be provided in writing to the Contractor

for modification;

b. HHSC can query the Contractor at any time to make sure that the processes that are geared for quality and repeatability, do not expose the Deliverables to any unacceptable risk level;

c. The Contractor will submit Deliverables to HHSC project leader - who, with collaboration of the assigned HHS System team members, will test and evaluate the overall quality, technical accuracy, business criteria, and/or completeness of the Deliverable – as applicable; and

d. If disagreement exists regarding scope and quality of Deliverables, HHSC project leaders and stakeholders will meet with the Contractor to review the issues and determine a course of action.

2.1.19 Performance Measures

The Contractor will represent that all work will be performed with promptness and diligence and will be executed in a professional manner, in accordance with the practices and high professional standards used in well-managed operations performing similar work.

Deliverables must be provided at an acceptable level of quality and in a manner consistent with acceptable industry standards, customs, and practices. HHSC and the Contractor agree to timely, professional communication in all ongoing interactions and appropriate responsiveness to ad hoc queries.

HHSC will monitor the performance of the Contractor and all requirements of the Contract are subject to performance evaluation by HHSC. The Contractor and HHSC will determine Key Performance Measures, goals, measures, and corrective actions prior to starting implementation.

2.1.20 Maintenance and Support Requirements

Upon request by HHSC, Contractor shall provide software maintenance and support as a supplemental service that meets or exceeds the requirements specified in **Table 7 (Maintenance and Support Requirements).**

Table 7 – Software Maintenance and Support Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SMS-01	Unlimited Maintenance and Support	Contractor must provide unlimited software maintenance and technical support during the Contract term. At no additional cost, Contractor must help the HHSC users and administrators resolve any problems with HHSC-specific configurations caused by of applied patches or upgrades to the Solution.
SMS-02	Service Levels	Contractor must meet response time and resolution time service levels to reported issues according to the standards set forth in **Table 9 - Response and Resolution Requirements, by Priority Levels**.

Table 7 – Software Maintenance and Support Requirements		
Requirement ID	**Requirement Name**	**Requirement**
SMS-03	Priority Levels	Contractor must assign the priority level upon the occurrence of a support request in accordance with **Table 9 - Response and Resolution Requirements, by Priority Levels.** If HHSC disagrees with the level assigned by Contractor, Contractor must re-assign the priority level of any support event as directed by HHSC, and such re-assignment and associated response time and resolution time requirements must become effective and be measured from the time of HHSC's direction to Contractor for such re-assignment.
SMS-04	Defect Analysis	Contractor must use industry best practices to perform all necessary root cause analysis, defect diagnosis, and correction to meet the resolution times specified in **Table 9 - Response and Resolution Requirements, by Priority Levels**.
SMS-05	Pre-Release Notes	As part of its software maintenance and technical support, Contractor must provide, to the extent available, pre-release notes to HHSC fifteen (15) business days prior to the publication date of any updates to the Solution.
SMS-06	Advance Notice of Solution Changes	Contractor must provide to HHSC at least thirty (30) business days advance written notice of any major upgrades or other Solution changes that change the operation, design, or look and feel of the Solution.
SMS-07	Substantive Response	All Contractor responses to HHSC's requests for technical support must be meaningful and informative. A response to an issue must include a change of status of the defect with a detailed comment documenting planned next steps and/or correction actions and target times/dates for resolution. A status change without the adequate documentation must not be considered an acceptable contact for purposes of calculating Response Time.
SMS-08	Reproduced Issue	In its initial findings regarding each reported issue, Contractor must determine whether the issue can be immediately and consistently reproduced.
SMS-09	Events, Issues, and Outages Report	Contractor must provide a report to HHSC documenting all events, issues, outages, or other situations within forty-eight (48) hours on business

Table 7 – Software Maintenance and Support Requirements		
Requirement ID	**Requirement Name**	**Requirement**

		days, of the discovered problem. The report must include:
		   a. Priority level;
		   b. Description of incident;
		   c. Incident date and time;
		   d. Date and time HHSC contacts were alerted;
		   e. Restoration date and time;
		   f. Total duration;
		   g. Actions taken; and
		   h. Final resolution.

SMS-10	Resolution Time	Contractor must respond and resolve all events, issues, outages, or other situations within the Resolution Times referenced in **Table 9 (Response and Resolution Requirements, Priority Levels)**.

2.1.21 Help Desk Services

Contractor shall provide Help Desk Services that meet or exceed the requirements specified in **Table 8 (Help Desk Requirements).**

Table 8 – Help Desk Requirements		
Requirement ID	**Requirement Name**	**Requirement**
HD-01	Help Desk Support	Contractor must provide qualified personnel to be available to HHSC by toll-free telephone, e-mail, or web portal for remote customer support with the Solution during agreed upon business hours and provide a method to request assistance after Contractor's business hours.

2.1.22 Response and Resolution Services

Contractor shall provide Response and Resolution Services that meet or exceed the requirements specified in **Table 9 (Response and Resolution Requirements, Priority Levels)**.

Table 9 – Response and Resolution Requirements, Priority Levels				
Priority Level	**Priority Name**	**Description**	**Maximum Response Time**	**Solution Time**
Priority 1 (P1)	Critical	Total outage or an outage of a critical component that renders the Solution unusable or unable to perform critical tasks and security issues that affect the production environment. An issue that significantly impairs the user's normal business operations including but not limited to causing users to be idle.	1 clock hour	4 clock hours
Priority 2 (P2)	High	Performance degradation or diminished processing, capacity, or functionality that affects multiple users within the production environment. An issue that affects fulfillment of a pending deadline. An issue that does not significantly impair the user's normal business operations but causes core functionality to not operate correctly and no workaround exists.	2 clock hours	8 clock hours
Priority 3 (P3)	Medium	Performance issue related to non-production environments, non-critical issue that is time sensitive, or non-impacting issue requiring additional troubleshooting. A reporting issue that does not affect core functionality. An issue that does not significantly impair the user's normal business operations but causes core functionality to not operate correctly and a workaround exists.	24 clock hours	2 business days
Priority 4 (P4)	Low	Low frequency issue of marginal importance. Minor problem that requires research, testing, or cooperative effort to resolve	48 clock hours.	5 business days or by written agreement

2.1.23 Warranty Period

The Contractor must warrant and guarantee that the Solution meets all specifications of the Contract. The Contractor must provide a standard 12-month

warranty for the Solution effective 12 months from HHSC Acceptance. Warranty document with the start and end dates of the warranty period must be provided to the HHSC Team.

2.2 CONTRACT AWARD, TERM, AND HISTORICAL COMPENSATION

2.2.1 Contract Award and Execution

HHSC intends to award one Contract as a result of this Solicitation. Any award is contingent upon approval of the HHSC executive commissioner or their designee.

If, for any reason, a final Contract cannot be executed with a Respondent selected for award within ten (10) days of HHSC's determination to seek to contract with that Respondent, HHSC may negotiate a Contract with the next highest-scoring Respondent or may withdraw, modify, or partially award this Solicitation.

2.2.2 Contract Term

The initial term of any Contract resulting from this Solicitation will be three (3) years. HHSC, at its sole option, may extend any Contract awarded pursuant to this Solicitation for up to two (2) additional years.

Following the base term and any allowable renewals or extensions, HHSC may extend any resulting Contract for not more than one additional option period to address immediate operational or service delivery needs. If the resulting Contract does not include a defined option period, the extension is limited to one year.

2.2.3 Historical Compensation

Historical compensation under Contracts with similar scope and size to this Solicitation has been approximately $260,000 per fiscal year. Notwithstanding **Section 2.2.3 (Historical Compensation)**, HHSC reserves the right to adjust any projected amount based on state funding during the term of a resulting Contract.

2.3 DATA USE AGREEMENT AND SECURITY PRIVACY INQUIRY

By entering into a Contract with HHSC as a result of this Solicitation, Respondent agrees to be bound by the terms of the **Data Use Agreement (DUA), Version 8.5**, attached as **Exhibit D**.

Respondents must complete and return with their Solicitation Response **Exhibit E**, **Attachment 2 to the DUA, Security and Privacy Inquiry (SPI), Version 2.1**.

2.4 NO GUARANTEE OF VOLUME, USAGE, OR COMPENSATION

HHSC makes no guarantee of volume, usage, or total compensation to be paid to any Respondent under any awarded Contract, if any, resulting from this Solicitation. Any awarded Contract is subject to appropriations and the continuing availability of funds.

HHSC reserves the right to cancel, make partial award, or decline to award a Contract under this Solicitation at any time at its sole discretion.

2.5 GOVERNMENTAL ENTITIES

If Respondent is responding to this Solicitation in its capacity as a governmental entity, certain terms and conditions found in this Solicitation, including all exhibits and attachments, may not be applicable. Furthermore, to the extent permitted by law, if a

Solicitation Response is received from a governmental entity, HHSC reserves the right to enter into an interagency or interlocal agreement with the governmental entity.

2.6   INVOICING

The Contractor shall submit an invoice to HHSC after each milestone is met in year 1 of Contract term, and annually after year 1 of the Contract term (60 days prior to end of State fiscal year), in a format consistent with the line-item descriptions of **Exhibit F, Cost Proposal**. Payment for Database of HHSC Content will be made upon acceptance of database work. Contractor must manage all invoicing activity and:

a. Acknowledge the receipt of a rejected invoice within seven (7) business days and resubmit a corrected invoice with a detailed explanation of the correction within seven (7) business days of initial receipt of invoice; and

b. Maintain a record of accuracy and report on the number of invoices rejected and resolution time.

Each invoice submitted must identify: (1) the Purchase Order number; (2), HHSC's Contract number: (3), and the period of (i.e., month) and (4) line-item description for service or deliverable. Failure to submit required supporting documentation with the invoice may result in return of invoices and delay of payment.

Invoices shall be sent to:

Health and Human Services Commission

Attn: Invoice-HHSC Information Technology Business Operations Health and Human Services Commission

701 W 51st Street Building C Austin, TX 78751

E-mail: itsainvoices@hhsc.state.tx.us

Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

ARTICLE III. ADMINISTRATIVE INFORMATION

3.1   SCHEDULE OF EVENTS

EVENT	DATE/TIME
Solicitation Posting Date to ESBD	AUGUST 3, 2022
Pre-proposal Conference and HSP Training Attendance is Optional	AUGUST 10, 2022 at 2:00 p.m. Central Time
Deadline for Submitting Questions or Requests for Clarification	AUGUST 12, 2022 at 10:00 a.m. Central Time
Tentative Date Responses to Questions or Requests for Clarification Posted on ESBD	AUGUST 16, 2022 at 5:00 p.m. Central Time
Deadline for courtesy HSP review	AUGUST 8, 2022 at 10:30 a.m. Central Time
Deadline for Submission of Solicitation Responses *[NOTE: Responses must be RECEIVED by HHSC by the deadline.]*	**SEPTEMBER 1, 2022 at 10:30** a.m. **Central Time**
Written Submission Evaluation Period	SEPTEMBER 2022
Anticipated Notice of Award	JANUARY 2023
Anticipated Contract Start Date	JANUARY 2023

Respondents must submit their Solicitation Responses to HHSC in accordance with the due date and time indicated in this Schedule of Events or as changed via an Addendum posted to the ESBD.

NOTE: All dates are tentative and HHSC reserves the right to modify these dates at any time. At the sole discretion of HHSC, events listed in the Schedule of Events are subject to scheduling changes and cancellation. Scheduling changes or cancellation determinations made prior to the deadline for submission will be published by posting an Addendum to the ESBD. After the deadline for submission, if there are delays that significantly impact the anticipated award date, HHSC, at its sole discretion, may post updates regarding the anticipated award date to the Procurement Forecast on the HHS Procurement Opportunities

web page. Each Respondent is responsible for checking the ESBD and Procurement Forecast for updates.

By submitting a Solicitation Response, Respondent represents and warrants that any individual submitting the Solicitation Response and any related documents on behalf of the Respondent is authorized to do so and to bind the Respondent under any Contract that may result from this Solicitation.

3.2   AMBIGUITY, CONFLICT, OR DISCREPANCY

Respondent must notify the **Section 3.3.1 (Sole Point of Contact)** of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in the Solicitation in the manner and by the deadline described in **Section 3.3.4 (Solicitation Questions)**.

Respondent submits a Solicitation Response at its own risk.

If Respondent fails to properly and timely notify the **Section 3.3.1 (Sole Point of Contact)** of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in the Solicitation, Respondent, whether awarded a Contract or not:

a. Waives any claim of error or ambiguity in the Solicitation and any resulting Contract;

b. Must not contest the interpretation by HHSC of such provision(s); and

c. Is not entitled to additional compensation, relief, or time by reason of ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error or its later correction.

3.3   INQUIRIES

3.3.1   Sole Point of Contact

All requests, questions, or other communication about this Solicitation shall be made in writing to HHSC PCS, addressed to the person listed below (Sole Point of Contact). Additionally, a phone number is provided for purposes such as instructing a potential Respondent through an IT system or website referenced in this Solicitation. Communications via telephone are not binding.

The Sole Point of Contact will authorize a secondary Sole Point of Contact in the event of their absence and, in such an event, will include the contact information for the secondary Sole Point of Contact in their automatic reply out-of-office e-mail message. Respondents seeking to contact the Sole Point of Contact should do so via e-mail in order to receive updated contact information.

Name	Erin Silva, BSHA, CTCD, CTCM
Title	Contract Specialist IV
Email	Erin.Silva@hhs.texas.gov

See also, **Section 3.3.3 (Exception to Sole Point of Contact)** below.

3.3.2 Prohibited Communication

Except as provided in **Section 3.3.1 (Sole Point of Contact)** and **Section 3.3.3 (Exception to Sole Point of Contact)**, potential Respondents and Respondents are prohibited from any communication with HHSC regarding the Solicitation. HHSC, its representative(s), and partners will not answer any questions or otherwise discuss the contents of this Solicitation with any potential Respondent or its representative(s). Attempts to ask questions by phone or in person will not be allowed or recognized as valid. Respondent shall rely only on written statements issued by or through HHSC designated staff as provided by **Section 3.3 (Inquiries)**. This restriction does not preclude discussions between affected parties for the purposes of conducting business unrelated to this Solicitation. **Failure to comply with these restrictions may result in disqualification of Respondent's Solicitation Response.**

3.3.3 Exception to Sole Point of Contact

Exceptions to **Section 3.3.1 (Sole Point of Contact)** are as follows:

a. Respondents with questions relating to the HUB Subcontracting Plan are permitted to direct those questions to the HUB coordinator at cheryl.bradley@hhs.texas.gov

b. Where it is expressly directed by the Sole Point of Contact that another designated HHSC representative may speak to the Respondent, such as during Contract negotiations. Respondents are required to ensure that communications have been authorized by the Sole Point of Contact before engaging in such communication. Failure to comply with this requirement may result in the disqualification of a Respondent's Solicitation Response.

3.3.4 Solicitation Questions

HHSC will allow written questions and requests for clarification regarding this Solicitation. Questions must be submitted by e-mail to the **Section 3.3.1 (Sole Point of Contact)** by the deadline established in **Section 3.1 (Schedule of Events).** Responses to questions or other written requests for clarification will be consolidated and posted to the ESBD and will not be provided individually to requestors.

HHSC reserves the right to amend answers previously posted, prior to the Solicitation response deadline **Section 3.1 (Schedule of Events)**. Amended answers will be posted on the ESBD. It is the Respondent's responsibility to check the ESBD. HHSC also reserves the right to provide a single consolidated response to all similar questions at the agency's sole discretion.

a. All questions and requests for clarification must include the following information:

1. Solicitation number;

2. Solicitation package reference (page number, section, and exhibit or attachment, if applicable; may also reference procurement library documents in this manner, if applicable);

3. Question topic (e.g., "Schedule of Events," or "**Exhibit F, Cost Proposal**"); and

4. Question for HHSC.

b. Requestor contact information below must be included in the body of the e-mail and submitted with the question(s):

1. Company name;

2. Company representative name;

3. Phone number; and

4. E-Mail address.

Questions or requests for clarification received after the deadline in **Section 3.1 (Schedule of Events)**, may be reviewed by HHSC but may not be answered. Only answers to questions submitted to the Sole Point of Contact in writing, in accordance with this section, are binding.

3.4 PRE-PROPOSAL CONFERENCE AND HSP TRAINING

3.4.1 Attendance

HHSC PCS will conduct a pre-proposal conference and HSP training. Attendance is optional but highly recommended.

Attendees to virtual pre-proposal conferences are required to send an email to the **Section 3.3.1** (**Sole Point of Contact)**, advising of participation in the pre-proposal conference. Attendees must provide their name, phone number, and name of the company they are representing regardless of whether the pre-proposal conference is in-person or virtual.

3.4.2 Conference Logistical Information

HHSC PCS will hold the pre-proposal webinar on the date and time set out in **Section 3.1 (Schedule of Events).**

People with disabilities who wish to attend the meeting and require auxiliary aids or services should contact the Sole Point of Contact identified in **Section 3.3.1 (Sole Point of Contact)**, at least seventy-two (72) hours before the meeting in order to have reasonable accommodations made by HHSC.

Conference Call and/or Webinar Information:

1-562-247-8321

At prompt enter passcode: 287-131-296

Registration URL

https://attendee.gotowebinar.com/register/793732369054173707

3.4.3 Questions at Pre-Proposal Conference

a. Reference **Section 3.3.4 (Solicitation Questions)** for the required format and information to be provided for submission of questions and requests for clarification.

b. Attendees may submit questions in writing at the conference. All questions must be in the required format and include the information as referenced in **Section 3.3.4 (Solicitation Questions)**.

c. During the conference, HHSC may provide responses to questions and requests for clarification, but only written responses posted by HHSC PCS as an Addendum to the Solicitation on the ESBD will be considered an official, binding update to the Solicitation.

d. HHSC reserves the right to amend, prior to the Solicitation Response Deadline, answers previously posted. Amended answers will be posted on the ESBD. Notification of posting will be in accordance with **Section 3.1 (Schedule of Events)**.

e. Conversations with HHSC program area staff **before or after the pre-proposal conference** are prohibited.

3.5 SOLICITATION RESPONSE COMPOSITION

3.5.1 General Information

Failure to submit all required Solicitation Response documents in the required format(s) may result in disqualification of the Solicitation Response without further consideration **Section 3.6.3 (Submission Checklist).** Respondent shall prepare a Solicitation Response that clearly and concisely represents its qualifications and capabilities. Expensive bindings, colored displays, promotional materials, etc. are not necessary or desired. Respondent should focus on the instructions and requirements of the Solicitation.

3.5.2 Page Limit and Supporting Documentation

The narrative/technical proposal should not exceed twenty (20) pages and should be formatted for 8 ½" x 11" paper with 1-inch margins and typed in Times New Roman, 12-point font. If complete responses cannot be provided without referencing supporting documentation, such documentation must be provided with the Solicitation Response, with specific reference made to the file, page, section, and/or paragraph where the supporting information can be found.

3.5.3 Discrepancies

In the event of any discrepancies or variations between copies, HHSC is under no obligation to resolve the inconsistencies and may make its scoring and selection decisions, accordingly, including the decision to potentially disqualify a Solicitation Response. If Respondent is required to designate an "Original" Solicitation Response but fails to do so, HHSC, in its sole discretion, will determine the version to be used as the original or may disqualify the Solicitation Response. If the Respondent submits a redacted Solicitation Response as the "Original," HHSC will disqualify the Solicitation Response and it will not be evaluated. HHSC

will not accept submissions after the "Deadline for Submission of Solicitation Responses" in the **Section 3.1** (**Schedule of Events)** to remedy discrepancies or variations in Solicitation Response submissions.

3.5.4 Exceptions

Respondents are highly encouraged, in lieu of including exceptions in their Solicitation Responses, to address all issues that might be advanced by way of exception by submitting such issues as questions or requests for clarification pursuant to **Section 3.3.4 (Solicitation Questions)**.

Any exception included in a Solicitation Response may result in a Respondent not being awarded a Contract. If a Respondent includes exceptions in its Solicitation Response, Respondent is required to use the **Exhibit H, Exceptions** included in this Solicitation and provide <u>all</u> information requested on the form. Any exception that does not provide all required information in the format set forth in **Exhibit H, Exceptions** may be rejected without consideration.

No exception, nor any other term, condition, or provision in a Solicitation Response that differs, varies from, or contradicts this Solicitation will be considered to be part of any Contract resulting from this Solicitation unless expressly made a part of the Contract in writing by HHSC.

3.5.5 Assumptions

Respondent must identify on the **Exhibit I, Assumptions Form** any business, economic, legal, programmatic, or practical assumptions that underlie the Respondent's response to the Solicitation. HHSC reserves the right to accept or reject any assumptions. All assumptions not expressly identified and incorporated into any Contract resulting from this RFO are deemed rejected by HHSC.

3.5.6 Binding Offer

A Solicitation Response should be responsive to the Solicitation as worded and without any assumption that any or all terms, conditions, or provisions of the Solicitation will be negotiated. Furthermore, all Solicitation Responses constitute binding offers. **Any Solicitation Response that includes any type of disclaimer or other statement indicating that the response does not constitute a binding offer may be disqualified.**

If a Respondent's ability to enter into a Contract is contingent upon any exception or assumption provided in accordance with **Section 3.5.4 (Exceptions)** or **Section 3.5.5 (Assumptions)**, the Respondent may be disqualified from further consideration for Contract award.

3.6 SOLICITATION RESPONSE SUBMISSION AND DELIVERY

3.6.1 Deadline

Solicitation Responses must be received at the address in **Section 3.6.4 (Labeling and Delivery for USB Submission and Other Materials)** and time stamped by HHSC PCS no later than the date and time specified in **Section 3.1 (Schedule of Events)**.

Solicitation Responses received after the deadline specified in Section 3.1 (Schedule of Events) will be rejected and not considered for Contract award.

3.6.2 Submission Option

    a. **Submission Option #1**: Respondent shall submit two USB drives—one (1) labeled "Original Proposal" and one (1) labeled "Copy"—containing the following documents:

        1. Each USB must contain one file named "Original" that contains the Respondent's entire Solicitation Response (except the cost proposal and HUB Subcontracting Plan) in searchable portable document format (PDF), unless otherwise specified for a particular attachment or exhibit.

        2. If applicable in accordance with **Section 8.1.5**, (**Public Information Act – Respondent Requirement Regarding Disclosure),** each USB must contain one file named "Public Information Act Copy" that contains the Respondent's entire Solicitation Response, including all exhibits and attachments, in searchable PDF.

        3. In accordance with **Section 7.1, (Cost Proposal)**, each USB must contain one file named "Cost Proposal" that contains the Respondent's cost proposal in Excel format with active formulas (compatible with Microsoft Office 2016).

        4. In accordance with **Section 6.8** (**HUB Subcontracting Plan**), each USB must contain one file named "HUB Subcontracting Plan" in searchable PDF, that contains the Respondent's HUB Subcontracting Plan and all supporting documentation.

    b. **Submission Option #2**: Respondent shall submit the following through the Online Bid Room utilizing the procedures in **Exhibit J, HHS Online Bid Room**:

        1. One file named "Original" that contains the Respondent's entire Solicitation Response (except the cost proposal and HUB Subcontracting Plan) in searchable portable document format (PDF), unless otherwise specified for a particular attachment or exhibit.

        2. If applicable in accordance with **Section 8.1.5, (Public Information Act – Respondent Requirements Regarding Disclosure)**, one file named "Public Information Act Copy" that contains the Respondent's entire Solicitation Response, including all exhibits and attachments, in searchable PDF.

        3. In accordance with **Section 7.1, (Cost Proposal)**, each USB must contain one file named "Cost Proposal" that contains the Respondent's cost proposal in Excel format with active formulas (compatible with Microsoft Office 2016).

        4. In accordance with **Section 6.8**, (**HUB Subcontracting Plan**), each USB must contain one file named "HUB Subcontracting Plan" in

searchable PDF, that contains the Respondent's HUB Subcontracting Plan and all supporting documentation.

3.6.3 Submission Checklist

Solicitation Consideration and Award Consideration Documents, reference **Section 1.2 (Definitions)** must be submitted by the deadline for Solicitation Response submissions, reference **Section 3.1 (Schedule of Events)**. Solicitation Consideration Documents will be reviewed as received, and Respondent will not have an opportunity to remedy missed requirements. At its sole discretion, HHSC may request some or all of the Respondents to remedy missing elements of Award Consideration Documents. Those marked "SC" are Solicitation Consideration Documents and those marked "AC" are Award Consideration Documents.

The Solicitation Response must be submitted using one of the approved methods identified in **Section 3.6 (Solicitation Response Submission and Delivery)**. Below are the documents required to be submitted with the Solicitation Response. Where searchable PDF files are required, submission of non-searchable (image only) PDF files may result in disqualification from further consideration for Contract award.

A	**Proposal and Respondent Information**			
1.	Narrative Proposal	(Section 5.1)	SC	_____
2.	Project Work Plan	(Section 5.1.2, Exhibit K)	SC	_____
3.	Technical Proposal	(Section 5.2)	SC	_____
4.	Company Information	(Section 6.1)	SC	_____
5.	Franchise Tax Information	(Section 6.2)	AC	_____
6.	References	(Section 6.3)	AC	_____
7.	HHS Solicitation Affirmations	(Section 6.5, Exhibit A)	SC	_____
8.	Exceptions (if applicable)	(Section 3.5.4, Exhibit H)	AC	_____
9.	Assumptions Form (if applicable)	(Section 3.5.5, Exhibit I)	AC	_____
10.	Dun and Bradstreet Report	(Section 6.6.1)	AC	_____
11.	Financial Statements and Financial Solvency	(Section 6.6.2)	AC	_____
12.	Attachment 2 to the DUA, Security and Privacy Inquiry (SPI), Version 2.1	(Section 2.3, Exhibit E)	AC	_____
13.	Corporate Guarantee	(Section 6.7)	AC	_____
B	**Cost Proposal**	(Article VII, Exhibit F)	SC	_____
C	**Historically Underutilized Business (HUB) Plan (HSP)**	(Section 6.8 and Exhibit L)	SC	_____

3.6.4 Labeling and Delivery for USB Submission and Other Materials

Respondent must deliver Solicitation Responses submitted via USB by one of the methods below.

Overnight/Express/Priority Mail	Hand Delivery
Health and Human Services Commission ATTN: Response Coordinator Tower Building Room 108 1100 W. 49th St., MC 2020 Austin, Texas 78756	Health and Human Services Commission ATTN: Response Coordinator Procurement & Contracting Services Building 1100 W. 49th St., MC 2020 Austin, Texas 78756

BE ADVISED, all Solicitation Responses become the property of HHSC after submission and will not be returned to the Respondent. It is the Respondent's responsibility to appropriately mark and deliver the Solicitation Response to HHSC PCS by the specified date. A dated shipping label, invoice of receipt from USPS or a commercial carrier; or any other documentation in lieu of the on-site time stamp WILL NOT be accepted.

Each Respondent is solely responsible for ensuring its Solicitation Response is submitted in accordance with all Solicitation requirements, including, but not limited to, proper labeling of packages, sufficient postage, or delivery fees, and ensuring timely receipt by HHSC. **In no event will HHSC be responsible or liable for any delay or error in delivery. Solicitation Response must be RECEIVED by HHSC PCS by the Solicitation Response Deadline identified in Section 3.1 (Schedule of Events).**

Solicitation Responses submitted via USB by mail or hand delivery shall be placed in a sealed package. The sealed package and the USB drives shall be clearly labeled on the outside as follows:

SOLICITATION NO:	HHS0011275
SOLICITATION NAME	Food Service Management Software System (FSMS)
SOLICITATION RESPONSE DEADLINE	September 1, 2022 at 10:30 a.m. Central Time
PURCHASER NAME:	Erin Silva, CTCD, CTCM
RESPONDENT NAME:	

It is Respondent's sole responsibility to ensure that packaging is sufficient to prevent damage to contents. HHSC will not be responsible or liable for any damage, and damaged Solicitation Responses will not be considered at HHSC' sole discretion.

HHSC will not be held responsible for any Solicitation Response that is mishandled prior to receipt by HHSC PCS. It is the Respondent's sole responsibility to mark appropriately and deliver the Solicitation Response to HHSC PCS by the specified date and time. HHSC will not be responsible for late delivery, inappropriately identified documents, or other submission errors that may lead to disqualification or nonreceipt of the Respondent's Solicitation Response.

3.6.5 Modifications and Withdrawals

Prior to the Solicitation Response submission deadline in **Section 3.1 (Schedule of Events)**, Respondent may: (1) withdraw its Solicitation Response by submitting a written request to the Sole Point of Contact identified in **Section 3.3.1 (Sole Point of Contact)**; or (2) modify its Solicitation Response by submitting a written amendment to the Sole Point of Contact identified in **Section 3.3.1 (Sole Point of Contact)**. When modifying its Solicitation Response, Respondent must include in writing the section(s) of its submission that will be replaced or removed by the amendment.

ARTICLE IV. SOLICITATION RESPONSE EVALUATION AND AWARD PROCESS

4.1 CONFORMANCE WITH STATE LAW

Solicitation Responses shall be evaluated in accordance with Texas Government Code §§ 2157.003 and 2157.006 (a)(2), Texas Administrative Code Title 34, Part 1, Chapter 20, Subchapter H, Rule § 20.391, or other applicable law. HHSC and DSHS shall not be obligated to accept the lowest priced Solicitation Response but shall make an award to the Respondent that provides the best value to the state of Texas.

4.2 BEST VALUE DETERMINATION

4.2.1 Selection Methodology

Solicitation Responses that meet the minimum qualifications will be submitted to the evaluation team for review and scoring. Each member of the evaluation team will receive a copy of each responsive Solicitation Response. The evaluators will review the Solicitation Responses considering the criteria listed in **Section 4.2.5 (Written Response Evaluation Criteria)**.

Evaluators will individually score the Solicitation Responses. This procurement will utilize an aggregated individual evaluation methodology as outlined by this section.

The following subsections describe the evaluation process, including any criteria for advancement to the various phases of evaluation, if applicable.

4.2.2 Minimum Qualifications

Respondents must meet the minimum qualifications listed below:

a. Respondents must have recently been in business for a minimum of five (5) years, or the principals/owners must have had recent ownership/executive management experience in a previous company that provided FSMS system services;

b. Respondents shall have a minimum of five (5) years of demonstrated experience in implementing and supporting FSMS systems;

c. Respondents shall have demonstrated experience with providing networking system services for organizations that have multiple locations or sites;

d. Respondents must be financially solvent and adequately capitalized, as determined based on a review of documentation required by **Section 6.6 (Other Reports)**;

e. Respondents have submitted the Solicitation Response in accordance with **Section 3.6, (Solicitation Response Submission and Delivery)** including all Solicitation Consideration and Award Consideration Documents, see **Section 3.6.3 (Submission Checklist)**;

f. Respondents who receive an overall score on the VPTS of less than a "C" may be disqualified from consideration for award; and

g. Respondents must submit a proposal that accurately meets the associated NIST definition as required by **Section 2.1.1 (Scope and Solution Requirements)**. A Respondents failure to accurately comply with **Section 2.1.1 (Scope and Solution Requirements)** will lead to being disqualified.

4.2.3   Initial Compliance Screening

HHSC will review Solicitation Responses for compliance with **Section 3.6.3 (Submission Checklist)** and for demonstrated ability to meet **Section 4.2.2 (Minimum Qualifications)** required to advance to evaluations. Failure to meet **Section 4.2.2 (Minimum Qualifications),** will result in the disqualification of the Solicitation Response.

HHSC will automatically disqualify any Solicitation Response that does not include one or more of the completed and signed (as applicable) Solicitation Consideration Documents listed in **Section 3.6.3 (Submission Checklist)**.

At its sole discretion, HHSC may disqualify any Solicitation Response that does not include all required Award Consideration Documents. Reference **Section 3.6.3 (Submission Checklist).**

HHSC may contact references provided in response to this Solicitation. HHSC may contact Respondent's clients, or solicit information from any available source, including the Comptroller's VPTS. Any information received may be grounds for disqualification if that information, in HHSC's sole discretion, suggests that the Respondent may perform poorly if selected.

4.2.4   Written Solicitation Response Evaluation

Each member of the evaluation team will read the Solicitation Responses in preparation for evaluation. The evaluation team will score all Solicitation

Responses that pass initial screening **Section 4.2.3 (Initial Compliance Screening).** Solicitation Responses will be scored against the criteria in **Section 4.2.5 (Written Response Evaluation Criteria).**

Solicitation Responses will be evaluated utilizing aggregated individual scoring and any other methods outlined in **Article IV. Solicitation Response Evaluation and Award Process**. The individual evaluators' scores will be aggregated and weighted, resulting in the Final Written Response Scores, unless Interviews or BAFOs are conducted.

4.2.5 Written Response Evaluation Criteria

Solicitation Responses shall be consistently evaluated and scored in accordance with the following criteria. See also, **Exhibit G, Evaluation Tool**.

   a. Cost 30%

   b. Experience and Qualifications 30%

   c. Technical Proposal and Project Work Plan 40%

4.2.6 Best and Final Offer (BAFO)

HHSC may, at its sole discretion, following the execution of **Section 4.2.1 (Selection Methodology)** request BAFOs from all Respondents. The request for a BAFO will allow a Respondent the opportunity to revise its original Solicitation Response, including pricing, or leave its Solicitation Responses originally submitted. Revisions must be submitted in the manner and form prescribed by the BAFO request. Requests will be sent to the point of contact provided by the Respondent. HHSC is not responsible for a Respondent's failure to timely receive the BAFO request.

HHSC reserves the right to request more than one BAFO from each of the selected Respondents. If a response is submitted to a request for a BAFO, the Final Written Response Scores (as outlined by **Section 4.2.7 Final Written Response Scores**) will be revised in accordance with the stated criteria in **Section 4.2.5 (Written Response Evaluation Criteria)** as to any changes made to the Respondent's original Solicitation Response. A request for a BAFO does not guarantee an award or further negotiations.

If BAFOs are requested by HHSC and submitted by the Respondent, they will be evaluated using the criteria stated in the BAFO invitation, scored, and ranked by the evaluation committee. The award will then be granted to the highest scoring Respondent. However, a Respondent should provide its best offer in its original Solicitation Response. Respondents should not expect or assume that HHSC will request a BAFO.

4.2.7 Final Written Response Score

A Respondent's Final Written Response Score is the score from **Section 4.2.4. (Written Solicitation Response Evaluation)** If BAFOs are conducted, the Final Written Response Score may be adjusted in accordance with **Section 4.2.6 (Best and Final Offer)**. Final Written Response Score may not always determine best

value or selection for negotiation and award, see **Section 4.2.8 (Summary of Best Value Determination)** for more information.

4.2.8 Summary of Best Value Determination

The final selection for award will be based on best value, as determined by this section. This includes any scoring adjustments for outliers, interviews, best and final offers, oral presentations, demonstrations, site visits, or other additional considerations as specified by this Solicitation. Respondents are encouraged to thoroughly review the processes outlined in this section, as it documents the best value considerations to be made by HHSC when selecting a Respondent for negotiation and Contract award.

4.3 QUESTIONS OR REQUESTS FOR CLARIFICATION

By submitting a Solicitation Response, Respondent grants HHSC the right to ask questions, request clarifications and to obtain any information from any lawful source regarding the past history, practices, conduct, ability, and eligibility of the Respondent to supply Goods or Services and to fulfill requirements under this RFO, and the past history, practices, conduct, ability, and eligibility of any director, officer, or key employee of the Respondent. By submitting a Solicitation Response, the Respondent generally releases from liability and waives all claims against any party providing information about the Respondent at the request of HHSC. Such information may be taken into consideration in evaluating the Solicitation Response.

ARTICLE V. NARRATIVE/TECHNICAL PROPOSAL

5.1 NARRATIVE PROPOSAL

5.1.1 Executive Summary

Respondents must provide an executive summary of their proposal (excluding cost information) that asserts the Respondent is providing, in its proposal, all the requirements of this RFO, including **Article II, Scope of Work.** The summary must demonstrate Respondent's understanding of HHSC goals and objectives for this Solicitation.

If the Respondent is providing goods or services beyond those specifically requested, those goods or services must be identified. If the Respondent is offering goods or services that do not meet the specific requirements of this RFO, but in the opinion of the Respondent are equivalent or superior to those specifically requested, any such differences must be noted in the executive summary. The Respondent should realize, however, that failure to provide the Goods and Services specifically requested may result in disqualification.

The executive summary must not exceed five (5) pages and should represent a full and concise summary of the contents of the proposal.

5.1.2 Project Work Plan

Respondents must describe in **Exhibit K, Project Work Plan**, their proposed processes and methodologies for providing all components of the Scope of Work described in **Article II, Scope of Work** including their approach to meeting the

Project schedule. Respondents should identify all tasks to be performed, timetables, deliverables schedule, including all project activities, materials and other products, services, and reports to be generated during the Contract period and relate them to the stated purpose(s) and specifications described in this Solicitation.

5.1.3 Key Staffing Profile

Respondents must provide key staffing profiles and resumes for all key staff who will be responsible for the performance of the Services requested under this Solicitation.

5.1.4 Experience and Qualifications.

Respondent shall provide details of the Respondent's corporate background and experience. If the Respondent proposes to use subcontractor(s), it must describe any existing or ongoing relationships with the subcontractor(s), including project descriptions. The section should include the following information:

a. Describe the Respondent's corporate background as it relates to projects similar in scope and complexity to the project described in this RFO, including but not limited to past experience in Food Service Management Software systems for public and governmental entities, including past performance under similar contracts.

b. Describe the Respondents qualifications and past experience in providing technical and networking support for multiple locations.

5.2 TECHNICAL PROPOSAL

Respondents must provide a detailed description of their proposed technical solution, which must support all business activities and requirements described in this RFO. The technical proposal must reflect Respondent's clear understanding of the nature of the Work undertaken and must include a detailed description of Respondent's proposed system(s).

The technical proposal must include a description of the following system components, functionality, and services:

a. Describe technical proposal as it relates to compliance of business requirements and functionalities as specified in **Article II Scope of Work.**

b. Describe technical proposal as it relates to **Article V Narrative/Technical Proposal.**

5.2.1 Technology Architecture

Respondents must provide a detailed description of the proposed technology architecture and include one or more diagrams that detail the relationships between key technical components, including components that must reside within an HHS data center (e.g., Domain Name Servers, Firewalls, Monitoring Tools, etc.).

Respondent must identify the infrastructure of its Solution for possible use of DCS services as described in **Exhibit N, Data Center Service Requirements**.

5.2.2 System Availability and Capacity.

Respondents are responsible for delivering a cost-effective, high-availability environment that minimizes the frequency and impact of system failures, reduces downtime, and minimizes recovery time in the event of catastrophic failure. In this section, Respondents must provide details on their approach to providing a highly available system. Describe the recommended sizing and how the system will manage concurrency of file uploads and other higher-demand transactions. In addition, Respondents must describe their proposed approach to monitoring system performance and use as well as planning, sizing, and controlling the system as capacity needs change.

5.2.3 Network Connectivity

Respondents must provide network connectivity specifications for which HHSC must comply, including network protocols, firewall rules, web gateways, and cybersecurity specifications for data in transit.

5.2.4 Software and Hardware Components

Respondents must provide details on the software and hardware components they have proposed for their system. This includes, but is not limited to, the proposed server topology, specifications for the hardware components, and data storage components. Respondents should also include details on the tools and utilities used to design, build, test, deploy, report, monitor, and operate the system and its components.

5.2.5 System Integration

Respondents must describe their approach to integrating the proposed system with other information systems.

5.2.6 System Administration, Support, and Maintenance

Respondents must detail their approach to administering the system and system components. This includes system support, including the levels of support offered and the process for requesting support. In addition, Respondents must provide a summary of their proposed strategy for maintaining and repairing the system.

5.2.7 System Security and Disaster Recovery

Respondents must detail their approach to security architecture, including the development and implementation measures that will provide security and protection for the system. This includes the proposed backup and recovery processing approach, and proposed virus protection strategy. Respondents should describe their general approach to reestablishing operations in the event of a catastrophe, as well as their approach to providing HHSC with a disaster recovery plan. Respondents must provide specifications on any hardware and software components utilized by the proposed security and disaster recovery solutions.

The respondent must describe their Incident Response procedures for real and potential security vulnerabilities and security breaches. Respondent must provide cybersecurity protections for access, data at rest and data in transit.

Respondent should also demonstrate compliance with applicable federal, state, and local laws, standards, and regulations, including, but not limited to:

   a. Texas Administrative Code (TAC) 202, 206, and 213, current revision at: http://www.sos.state.tx.us/tac/;

   b. National Institute of Standards and Technology (NIST) 800-53, current revision;

   c. National Institute of Standards and Technology (NIST) 800-88, current revision; and

   d. Title 1, Texas Administrative Code, Chapter 213, Sub Chapter B, Accessibility for state agencies

5.2.8 Performance Monitoring and Management

Respondents must describe their proposed methodology for monitoring and reporting system performance, as well as the proposed approach to technology management. This includes the methods for centrally managing system resources such as servers, backup, archiving, and recovery equipment, databases, and applications. Respondents must address methods for auditing, tracing, and scanning the system, and provide details on the specialized tools they will use to automate and track monitoring and management activities.

ARTICLE VI. REQUIRED RESPONDENT INFORMATION

6.1 COMPANY INFORMATION

In accordance with **Article III, Administrative Information**, Respondents must include the following information with their responses:

6.1.1 Company Narrative

Respondents must provide a detailed narrative explaining why they are qualified to provide the Services enumerated in **Article II, Scope of Work,** focusing on their key strengths and competitive advantages.

6.1.2 Company Profile

Respondents must provide a company profile, including:

   a. Their ownership structure (e.g., corporation, partnership, LLC, or sole proprietorship), including any wholly owned subsidiaries, affiliated companies, or joint ventures. (*Please provide this information in a narrative and as a graphical representation.*) If Respondent is an affiliate of, or has a joint venture or strategic alliance with, another company, Respondent must identify the percentage of ownership of each joint venture member or affiliate and the percentage of the parent's ownership. The entity performing the majority of the Work under any Contract resulting from this RFO, throughout the duration of the Contract, must be the primary bidder. Finally, Respondents must provide their proposed operating structure for the Services requested under this Solicitation and which entities (i.e., parent company, affiliate, joint venture, subcontractor) will be performing them;

b. The year the company was founded and/or incorporated. If incorporated, please indicate the state where the company is incorporated and the date of incorporation;

c. The location of company headquarters and any field office(s) that may provide Services for any resulting Contract under this Solicitation;

d. The number of employees in the company, both locally and nationally, and the location(s) from which employees will be assigned;

e. The name, address, and telephone number of Respondent's point of contact for any resulting Contract under this Solicitation;

f. The name, address, and telephone number of Respondent's point of contact for any questions regarding the Solicitation Response; and

g. Indicate whether the company has ever been in contract with any Texas state agency. If "Yes," specify the contract term, for what duties, and for which agency.

6.2 FRANCHISE TAX – RIGHT TO TRANSACT BUSINESS IN TEXAS

The Texas franchise tax is imposed on each taxable entity formed or organized in Texas or doing business in Texas. Respondent must provide their 11-digit Comptroller's Taxpayer Number or the 9-digit Federal Employer's Identification Number.

Respondent must be set up in the Texas franchise tax system prior to Contract award. Texas franchise tax information can be accessed at: https://comptroller.texas.gov/taxes/franchise/

6.3 REFERENCES

Respondents shall provide a minimum of three (3) references from similar contracts or projects performed, preferably for state and/or local government, within the last three (3) years. Respondents must verify current contracts and provide the following information:

a. Client name;

b. Contract/project description;

c. Total dollar amount of contract/project;

d. Key staff assigned to the referenced contract/project who will be designated for Work under any Contract resulting from this Solicitation; and

e. Client contract/project manager name, telephone number, fax number, and email address.

6.4 MAJOR SUBCONTRACTOR INFORMATION

Respondents must identify any major subcontractors who will perform fifteen percent (15%) or more of the Work under any Contract resulting from this Solicitation. Respondents must indicate whether or not they hold any financial interest in any major subcontractor. As a condition of award, an authorized officer or agent of each proposed major subcontractor may be required to sign a statement to the effect that the Subcontractor has read, and will agree to abide by, Respondent's obligations under any Contract awarded pursuant to this Solicitation.

6.5 **AFFIRMATIONS AND CERTIFICATIONS**

Respondents must complete and return with their Solicitation Response **Exhibit A, HHS Solicitation Affirmations, Version 2.3**.

6.6 **OTHER REPORTS**

6.6.1 Dun and Bradstreet Reports

Respondents with a Dun and Bradstreet number must include a Comprehensive Insight Plus Report, Business Information Report, or Credit eValuator Report (collectively referred to as "Dunn and Bradstreet Reports") with their Solicitation Response.

6.6.2 Financial Statements and Financial Solvency

a. Respondent must submit electronically in a word searchable .PDF format an annual report, which must include:

1. Last three (3) years of Audited Financial Statements (one of which is the current year), including all supplements, management discussion and analysis, and actuarial opinions;

2. If applicable, last three (3) years of consolidated statements for any holding companies or affiliates (one of which is the current year); and

3. A full disclosure of any events, liabilities, or contingent liabilities that could affect Respondent's financial ability to perform this Contract;

At a minimum, such financial statements must include:

 i. Balance sheet;

 ii. Income Statement;

 iii. Statement of Changes in Financial Position;

 iv. Statement of Cash Flows; and

 v. Capital Expenditures.

a. If the Respondent is a corporation that is required to report to the Securities and Exchange Commission (SEC), Respondent must submit its three (3) most recent SEC Form 10K, Annual Reports, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Financial materials must be submitted electronically in a word searchable PDF format;

b. If Audited Financial Statements are not available, Respondent must submit unaudited financial information and any other information the Respondent believes meets the requirements of this section. See **Section 6.6.3 (Alternate Report)**. If the submitted documents do not provide adequate assurance of financial stability or solvency, HHSC reserves the right to request additional information or to disqualify the Respondent;

c. Substantial Ownership or Wholly Owned by another Corporate Entity. If the Respondent is either substantially or wholly owned by another corporate (or legal) entity, the Respondent must include the information required in

this **Section 6.6.1 (Dun and Bradstreet Report)** for each such entity, including the most recent detailed financial report for each such entity; and

d. If HHSC determines that an entity does not have sufficient financial resources to guarantee the Respondent's performance, HHSC may require the Respondent to obtain another acceptable financial instrument or resource from such entity, or to obtain an acceptable guarantee from another entity with sufficient financial resources to guarantee performance.

6.6.3 Alternate Report

If any Respondent is unable to provide the annual report specified above, Respondent may, at the discretion of the System Agency, provide the following alternate report:

a. Last three (3) years un-audited financial statements, including all supplements, management discussion and analysis, and actuarial opinions;

b. An un-audited financial statement of the most recent quarter of operation; and

c. A full disclosure of any events, liabilities, or contingent liabilities that could affect Respondent's financial ability to perform this Contract.

At a minimum, such financial statements must include:

1. Balance sheet;

2. Income Statement;

3. Statement of Changes in Financial Position;

4. Statement of Cash Flows; and

5. Capital Expenditures.

6.7 CORPORATE GUARANTEE

If the Respondent is substantially or wholly owned by another corporate (or other) entity, HHSC reserves the right to request that such entity unconditionally guarantee performance by the Respondent in each and every obligation, warranty, term, covenant, and condition of any Contract resulting from this Solicitation.

6.8 HUB SUBCONTRACTING PLAN

Respondents must submit the HUB Subcontracting Plan in accordance with **Section 3.6 (Solicitation Response Submission and Delivery).** The HSP should be labeled: "HUB Subcontracting Plan (HSP)," and include all supporting documentation in accordance with **Exhibit L, Historically Underutilized Business (HUB) Plan (HSP) Requirements**.

A courtesy review of a Respondent's completed HSP is optional and is available upon request to assist in providing a compliant and responsive HSP. This courtesy review may only identify possible deficiencies, but a final compliant determination cannot be provided until the Solicitation Response is submitted.

To request a courtesy review, submit the completed HSP including all supporting documentation in a PDF format by e-mail to the HHSC HUB Program Office by or before

the Courtesy Review of HUB Subcontracting Plan Deadline in the **Section 3.1 (Schedule of Events)**.

E-Mail for Courtesy Review: cheryl.bradley@hhs.texas.gov

E-mail Subject Line: HSP Courtesy Review, No. HHS0011275

Response due date: September 1, 2022

HSPs received after the courtesy review deadline in the **Section 3.1 (Schedule of Events)**, will not be processed. A response regarding the HSP will be provided at least eight (8) business days prior to the Solicitation Response deadline in the **Section 3.1 (Schedule of Events)** from the HUB Office, allowing enough time to rectify any potential deficiencies for the final HSP submission.

The final HSP must be submitted with the Solicitation Response by the deadline in the **Section 3.1 (Schedule of Events)**. Solicitation Responses that do not include a completed HUB Subcontracting Plan shall be rejected due to material failure to comply with Texas Government Code Section 2161.252(b).

ARTICLE VII. COST PROPOSAL

7.1   COST PROPOSAL

As noted above in **Section 3.5 (Solicitation Response Composition),** cost information must be included as a separate document/file, the cost proposal, with the Respondent's Solicitation Response for the services listed in **Article II. Scope of Work**.

Respondents must state their pricing for all Goods and Services rendered during the course of any Contract resulting from this Solicitation, including any and all costs involved that are to be paid or reimbursed by HHSC. The pricing for the required Goods and Services is to be presented only in the format set forth in **Exhibit F, Cost Proposal** of the RFO. Pricing information shall include all costs associated with providing the required Goods and Services and must be submitted and labeled as specified in **Section 3.6 (Solicitation Response Submission and Delivery)**. No reimbursement is available to the successful Respondent beyond the amount agreed to be paid for the Goods and Services provided. Pricing agreed to in any resulting Contract shall be firm and remain constant through the life of the Contract.

The cost proposal provided is for the Goods and/or Services as specified in this Solicitation and shall include all labor, materials, tools, supplies, equipment, and personnel, including but not limited to, travel expenses, associated costs, and incidental costs necessary to provide the products and Services according to the minimum specifications, requirements, provisions, terms, and conditions set forth in this RFO.

ARTICLE VIII. GENERAL TERMS AND CONDITIONS

8.1   GENERAL CONDITIONS

8.1.1   Changes, Modifications, and Cancellation

HHSC reserves the right to make changes to and/or cancel this RFO and will post all changes and modifications, whether made as a result of a potential Respondent's

written inquiries or otherwise, and cancellation notices on the ESBD. It is the responsibility of the Respondent to check the ESBD regularly for any additional information regarding this RFO. If the Respondent fails to monitor the ESBD for any changes or modifications to the RFO, such failure will not relieve the Respondent of its obligation to fulfill the requirements as posted.

8.1.2   Offer Period

Solicitation Responses shall be binding for a period of 240 days after the submission due date. A Respondent may extend the time for which its Solicitation Response will be honored. Upon Contract execution, prices agreed upon by the successful Respondent(s) are an irrevocable offer for the term of the Contract and any Contract renewals or extension(s). No other costs, rates, or fees shall be payable to the successful Respondent unless expressly agreed upon in writing by HHSC.

8.1.3   Costs Incurred

Respondents understand that issuance of this Solicitation in no way constitutes a commitment by HHSC to award a Contract or to pay any costs incurred by a Respondent in the preparation of a response to this Solicitation. HHSC is not liable for any costs incurred by a Respondent. Costs of developing Solicitation Responses, preparing for or participating in Oral Presentations, Demonstrations, and Site Visits, or any other similar expenses incurred by a Respondent are entirely the responsibility of the Respondent, and will not be reimbursed in any manner by the State of Texas.

8.1.4   Contract Responsibility

HHSC will look solely to the successful Respondent for the performance of all contractual obligations that may result from an award based on this Solicitation. The successful Respondent shall not be relieved of its obligations for any nonperformance by its Subcontractors.

8.1.5   Public Information Act - Respondent Requirements Regarding Disclosure

Proposals and contracts are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be disclosed to the public upon request. Other legal authority also requires HHSC to post contracts and proposals on its public website and to provide such information to the Legislative Budget Board for posting on its public website.

Under the PIA, certain information is protected from public release. If Respondent asserts that information provided in its Solicitation Response is exempt from disclosure under the PIA, Respondent must:

a.   Mark Original Solicitation Response:

    1.   Mark the Original Solicitation Response, on the top of the front page, with the words "CONTAINS CONFIDENTIAL INFORMATION" in large, bold, capitalized letters (the size of, or equivalent to, 12-point Times New Roman font or larger);

    2.   Mark the bottom of each page on the Solicitation Response that contains information that Respondent claims is exempt from public

disclosure with the words "CONTAINS CONFIDENTIAL INFORMATION";

3. Identify, adjacent to each portion of the Solicitation Response that Respondent claims is exempt from public disclosure, the claimed exemption from disclosure (***NOTE***: *no redactions are to be made in the Original Solicitation Response)*;

b. **Certify in Original Solicitation Response – HHS Solicitation Affirmations, Version 2.3 (attached as <u>Exhibit A</u> to this Solicitation):**

Certify, in the designated section of the HHS Solicitation Affirmations Version 2.3, Respondent's confidential information assertion and the filing of its Public Information Act Copy; and

c. Submit Public Information Act Copy of Solicitation Response:

Submit a separate "Public Information Act Copy" of the Original Solicitation Response (in addition to the original and all copies otherwise required under the provisions of this Solicitation). The Public Information Act Copy must meet the following requirements:

1. The copy must be clearly marked as "Public Information Act Copy" on the front page in large, bold, capitalized letters (the size of, or equivalent to, 12-point Times New Roman font or larger);

2. Each portion Respondent claims is exempt from public disclosure must be redacted (blacked out); and

3. Respondent must identify, adjacent to each redaction, the claimed exemption from disclosure. Each identification provided as required in Subsection (c) of this section must be identical to those set forth in the Original Solicitation Response as required in Subsection (a)(2), above. The only difference in required markings and information between the Original Solicitation Response and the "Public Information Act Copy" of the Solicitation Response will be redactions - which can only be included in the "Public Information Act Copy." There must be no redactions in the Original Solicitation Response.

By submitting a response to this Solicitation, Respondent agrees that, if Respondent does not mark the Original Solicitation Response, provide the required certification in the HHS Solicitation Affirmations Version 2.1, and submit the Public Information Act Copy, Respondent's Solicitation Response will be considered to be public information that may be released to the public without notice to the Respondent in any manner including, but not limited to, in accordance with the Public Information Act, posted on HHSC' public website, and posted on the Legislative Budget Board's public website.

If any or all Respondents submit partial, but not complete, information suggesting inclusion of confidential information and failure to comply with the requirements set forth in this section, HHSC, in its sole discretion and in any Solicitation, reserves the right to (1) disqualify all Respondents that fail to fully comply with the requirements

set forth in this section, or (2) to offer all Respondents that fail to fully comply with the requirements set forth in this section additional time to comply.

Respondent should not submit a Public Information Act Copy indicating that the entire Solicitation Response is exempt from disclosure. Merely making a blanket claim that the entire response is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable.

A Solicitation Response should not be marked or asserted as copyrighted material. If Respondent asserts a copyright to any portion of its response, by submitting a response, Respondent agrees to reproduction and posting on public websites by the State of Texas, including all other state agencies, without cost or liability and, additionally, agrees to allow the State of Texas to provide a copy of the Solicitation Response to individuals making a PIA request for the response.

HHSC will strictly adhere to the requirements of the PIA regarding the disclosure of public information. As a result, by participating in this Solicitation process, Respondent acknowledges that all information, documentation, and other materials submitted in the Solicitation Response in response to this Solicitation may be subject to public disclosure under the PIA. HHSC does not have authority to agree that any information submitted will not be subject to disclosure. Disclosure is governed by the PIA and by rulings of the Office of the Texas Attorney General. Respondents are advised to consult with their legal counsel concerning disclosure issues resulting from this process and to take precautions to safeguard trade secrets and proprietary or otherwise confidential information. HHSC assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Respondents.

For more information concerning the types of information that may be withheld under the PIA or questions about the PIA, please refer to the Public Information Act Handbook published by the Office of the Texas Attorney General or contact the attorney general's Open Government Hotline at (512) 478-OPEN (6736) or toll-free at (877) 673-6839 (877-OPEN TEX). To access the Public Information Act Handbook, please visit the attorney general's website at http://www.texasattorneygeneral.gov.

8.1.6 Respondent Waiver – Intellectual Property

SUBMISSION OF ANY DOCUMENT TO HHSC IN RESPONSE TO THIS SOLICITATION CONSTITUTES AN IRREVOCABLE WAIVER AND AGREEMENT BY RESPONDENT TO FULLY INDEMNIFY THE STATE OF TEXAS, HHSC FROM ANY CLAIM OF INFRINGEMENT BY HHSC REGARDING THE INTELLECTUAL PROPERTY RIGHTS OF RESPONDENT OR ANY THIRD PARTY FOR ANY MATERIALS SUBMITTED TO HHSC BY RESPONDENT.

8.1.7 Standards of Conduct for Vendors

Pursuant to Title 1 of the Texas Administrative Code Part 15, Chapter 391, Subchapter D, Rule §391.405(a), Contractors, Respondents, and vendors interested in working with HHSC are required to implement standards of conduct for their

own personnel and agents on terms at least as restrictive as those applicable to HHSC. These standards must adhere to ethics requirements adopted in rule, in addition to any ethics policy, or code of ethics approved by the HHSC Executive Commissioner. A Respondent must sign and submit all ethics, disclosure, confidentiality, and other forms required under the procurement and any resulting contract.

The standards of conduct must include the ten standards of ethical conduct set forth in Section I of the HHS Ethics Policy and requirements to comply with ethical standards set forth in federal and state law (including, but not limited to, Title 1 of the Texas Administrative Code Part 15, Chapter 391, Subchapter D, Rule §391.405(a)).

Standards of conduct of any Contractor, Respondent, or vendor may be reviewed and/or audited by the State Auditor and HHSC, The Contractor, Respondent, or vendor must cooperate with the review and/or audit. Additionally, pursuant to Title 1 of the Texas Administrative Code Part 15, Chapter 391, Subchapter D, Rule §391.405(a), HHSC may examine a Respondent's standards of conduct in the evaluation of a bid, offer, proposal, quote, or other applicable expression of interest in a proposed purchase of Goods or Services.

Any vendor, Contractor, or Subcontractor, that violates a provision of Title 1 of the Texas Administrative Code Part 15, Chapter 391, Subchapter D may be barred from receiving future contracts or have an existing contract canceled. Additionally, HHSC may report the vendor's actions to the Comptroller of Public Accounts for statewide debarment, or law enforcement.

8.1.8 Disclosure of Interested Parties

Pursuant to Section 2252.908 of the Texas Government Code, a successful Respondent to be awarded a Contract with a value of $1 million or more or awarded a Contract that would require the successful Respondent to register as a lobbyist under Texas Government Code Chapter 305 must submit a disclosure of interested parties form to HHSC at the time the Respondent submits the signed Contract. Rules and filing instructions may be found on the Texas Ethics Commission's public website and additional instructions will be given by HHSC to the successful Respondent.

8.2 INSURANCE

8.2.1 Required Coverage

For the duration of any Contract resulting from this Solicitation, the successful Respondent shall acquire insurance, bonds, or both, if applicable, with financially sound and reputable independent insurers, in the type and amount customarily carried within the industry. Failure to maintain insurance coverage or acceptable alternative methods of insurance shall be deemed a breach of the Contract.

8.2.2 Alternative Insurability

Notwithstanding the preceding, HHSC reserves the right to consider reasonable alternative methods of insuring the Contract in lieu of the insurance policies customarily required. It will be the Respondent's responsibility to recommend to

HHSC alternative methods of insuring the Contract. Any alternatives proposed by Respondent should be accompanied by a detailed explanation regarding Respondent's inability to obtain the required insurance and/or bonds. HHSC shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

8.3 PROTEST

Any protest shall be governed by the rules published by HHSC in the TAC, Title 1, Part 15, Chapter 391, Subchapter C, Protests.

ARTICLE IX. LIST OF EXHIBITS, FORMS, AND ATTACHMENTS

EXHIBIT A	HHS SOLICITATION AFFIRMATIONS, VERSION 2.3
EXHIBIT B	HEALTH AND HUMAN SERVICES (HHS) UNIFORM TERMS AND CONDITIONS – VENDOR, VERSION 3.3
EXHIBIT C	HEALTH AND HUMAN SERVICES (HHS) ADDITIONAL PROVISIONS, VERSION 1.0
EXHIBIT D	DATA USE AGREEMENT (DUA), VERSION 8.5
EXHIBIT E	ATTACHMENT 2 TO THE DUA, SECURITY AND PRIVACY INQUIRY (SPI), VERSION 2.1
EXHIBIT F	COST PROPOSAL
EXHIBIT G	EVALUATION TOOL
EXHIBIT H	EXCEPTIONS
EXHIBIT I	ASSUMPTIONS FORM
EXHIBIT J	HHS ONLINE BID ROOM
EXHIBIT K	PROJECT WORK PLAN
EXHIBIT L	HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PLAN (HSP) REQUIREMENTS
EXHIBIT M	SERVICE FACILITIES
EXHIBIT N	DATA CENTER SERVICES (DCS) REQUIREMENTS