TEXAS
Health and Human Services

Stephanie Muth, Executive Commissioner

Invitation for Bids (IFB)

for

Drug Supply Chain Security Act (DSCSA) Compliance Subscription

IFB # HHS0018074

- **NIGP Class/Item No(s):**
- **915-51: Information Highway Electronic Services: Internet, Ethernet, World Wide Web, Virtual Tours, Including Construction Renderings, etc.**

Procurement Schedule - All Times are Central Time Reference Section 2 for further information	
IFB Date Posted to ESBD	November 9, 2026
Questions or Clarifications Submission Deadline	November 13, 2026 10:30 AM
Responses to Questions or Clarifications - Addendum posted on the ESBD	November 17, 2026 4:00 PM
Response Deadline: Responses to this IFB must be received	November 23, 2026, 10:30 AM
Anticipated Contract Start Date	Upon Award

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1 Introduction and Purpose of IFB

The Texas Health and Human Services Commission (HHSC) is an agency within the Texas Health and Human Services (HHS) system. The Procurement and Contracting Services (PCS) division of HHSC administers IFBs for HHS.

HHSC PCS is seeking competitive bids to establish contract(s) for DSCSA Compliance Subscription service.

Both HHS Agencies, HHSC and DSHS, will be entitled to use any contract awarded as a result of this IFB.

To be considered for award, Bidders must submit a comprehensive Response which includes all required information and documentation as outlined in this IFB to ensure the Bidder meets all requirements, possesses the required experience and qualifications, and has the capacity to provide the services described in this IFB. See Appendix A, Submission Instructions and Response Checklist.

1.1 Authority

HHSC is soliciting the services stated in this IFB under Texas Government Code 2157.068.

1.2 Historical Monetary Value

Historical spend is unknown.

1.3 No Guarantee of Volume, Usage or Compensation

HHS Agency does not guarantee any volume, usage, or compensation to be paid to any Contractor under any Contract resulting from this IFB. Additionally, all HHS Agency contracts are subject to appropriations, the availability of funds, and termination.

The estimated historical spend included in Section 1.2 is provided only as a guideline for preparing the pricing response and should not be construed as representing anticipated or actual quantities that will be required.

1.4 Negotiation, Exceptions or Assumptions

Negotiations are prohibited under the IFB procurement method under most circumstances, and even then, the scope of permissible negotiations is limited and may not result in a material change to the scope of work or specifications as advertised in this IFB.

Bidders should NOT submit exceptions to this IFB which could result in disqualification of a Response. No changes to a Response can be made after the submission deadline.

No assumptions should be included in a Response. The inclusion of assumptions could result in disqualification of a Response. Instead, a Bidder should advance assumptions and seek clarification of a section of this IFB, any Exhibits or attachments, in the form and manner required in **Section 6.7 IFB Questions or Clarifications**.

1.5 IFB Components

This IFB includes the following items:

- PCS 137 IFB (this document)
- Exhibit A – HHS Solicitation Affirmations
- Exhibit B – PCS 111-Contract Affirmations and HHS Uniform Terms and Conditions (UTCs)
- Exhibit C– Pricing Sheet
- Exhibit D – HHS Online Bid Room Information
- Exhibit E- PCS Map

2 Procurement Schedule

The Procurement Schedule dates on the cover page of this IFB are subject to change. HHSC reserves the right to modify these dates at any time by issuing an addendum. Any events listed in the Procurement Schedule after the Response Deadline will occur at the discretion of HHSC.

Responses must be received by HHSC prior to the Response Deadline as indicated in the Procurement Schedule. Every Bidder is solely responsible for ensuring its Response is received by HHSC before the Response Deadline in accordance with all requirements regarding submission. HHSC is not responsible for lost, misdirected or late Responses.

By submitting a Response, the Bidder represents and warrants that the individual submitting the Response, inclusive of the documents made part of the Response, is authorized to sign on behalf of the Bidder, and to bind the Bidder under any Contract that may result from this IFB.

3 Withdrawal or Amendment of Response

Bidders may withdraw or amend their Responses at any time prior to the Response Deadline by e-mailing the point of contact listed in Section 6.1 (Sole Point of Contact and Communications).

The e-mail subject line for withdrawal or response amendment should contain the IFB number as indicated on the cover page of this IFB. The Bidder is solely responsible for ensuring the email is received by HHSC before the Response Deadline. HHSC is not responsible for lost or misdirected e-mails.

4 HHSC Overview

The Health and Human Services Commission (HHSC) was created in 1991 to oversee and coordinate the planning and delivery of health and human services in Texas. It is established pursuant to Chapter 523, Texas Government Code and is responsible for oversight of Texas Health and Human Services agencies.

PCS administers the procurement process, which includes IFB announcement and publication, Bidder communications, receipt of Responses, screening of timely received responses, and facilitating the evaluation of qualified Responses. PCS, in coordination with each HHS program, manages the execution of the award, through issuance of Purchase Order(s) or other Contract document, resulting from this IFB.

5 Definitions

Unless the context clearly indicates otherwise, throughout this IFB, the definition given to a term below applies whenever the term appears in this IFB, in any Response (Bid) submitted in response to this IFB, and in any Contract awarded as a result of this IFB. All other terms have their ordinary and common meaning.

a) **Addendum** – A written clarification or revision to this IFB issued by HHSC.

b) **Bidder** – The entity or individual that submits a response to this IFB. Includes anyone acting on behalf of the entity or individual that submits a response, such as an agent, employee, or representative. *See also Respondent below.*

c) **Contract** –The signed Purchase Order or Signature Document, the Uniform Terms and Conditions, Affirmations, along with any Attachments, Exhibits and any Amendments, purchase orders, or Work Orders that may be issued by HHSC, to be incorporated by reference for all purposes as a result of this IFB.

d) **Contractor** - Each Bidder, business entity or individual, if any, awarded a Purchase Order or other Contract to provide the services or goods as a result of this IFB.

e) **Contract Term** – The period of time during which the Purchase Order or Contract is in effect from the start date through the end date and may include renewal or extension periods.

f) **Debarment** – An exclusion from contracting or subcontracting with state agencies on the basis of cause pursuant to Title 34, Part 1, Chapter 20, Subchapter G of the Texas Administrative Code, and the Federal System for Award Management (SAM).

g) **Deliverables** – The services or goods specified in this IFB and any resulting Contract that the Contractor shall perform or deliver to the HHS Agency.

h) **Electronic State Business Daily (ESBD)** - The electronic online directory, administered by the Comptroller of Public Accounts, Statewide Procurement Division (SPD), for publishing procurement opportunities which exceed $25,000 in total estimated value

and for providing public notice of contract awards. The ESBD may be accessed through the CPA web site at: https://www.txsmartbuy.gov/esbd.

Note: The Texas Comptroller of Public Accounts (CPA) recommends utilizing Google Chrome when navigating CPA websites.

i) **Exhibit** – A document, included as an attachment to this IFB, which provides terms and conditions, additional requirements and information related to this IFB.

j) **HHS Agency** - HHSC or any of the agencies of the State of Texas that are overseen by HHSC under authority granted under state law and the officers, employees, authorized representatives, and designees of those agencies. These agencies include: HHSC and the Department of State Health Services (DSHS), separately or combined. May also be referred to as System Agency.

k) **IFB** - This document, including all exhibits, attachments, appendices, or Addenda (if applicable). May also be referred to as Invitation for Bids.

l) **NIGP (The National Institute of Governmental Purchasing (NIGP) Commodity Book)** – The Class-Item numbering and descriptions used by state agencies to properly code services or products for a procurement.

m) **Purchase Order** – A legally enforceable agreement issued by HHSC indicating types, quantities, and agreed pricing for services and goods the Contractor will provide under any Contract resulting from this IFB.

n) **Response** – All information and materials submitted by a Bidder in response to this IFB. May also be referred to as Bid or Bid Response.

o) **Respondent** – A term interchangeable with Bidder.

p) **Scope of Work** – The description of requirements, services, specifications for goods which may be required, and deliverables as provided in this IFB and any resulting Contract which the Contractor is required to provide.

q) **Subcontractor** - Any entity or individual that enters into a contract with the Contractor to perform part or all of the obligations of the Contractor under the Contract.

r) **Texas Identification Number (TIN)** – The 11-digit identification number set up through the Texas Comptroller of Public Accounts which is required for any entity or individual to receive payment under a Contract with the State of Texas. Also known as Texas Payee ID Number. Further information regarding this number may be accessed via the CPA Fiscal Management TexPayment Resource web page at: https://fmx.cpa.texas.gov/fm/pubs/payment/gen_prov/index.php?s=payee_numreq&p=payee_numreq.

s) **Unit of Measure** – The set unit of measure (UOM), included on the Pricing Sheet, used for payment of the services under the Contract or Purchase Order. May be hourly, daily, weekly, monthly, etc.

t) **Unit Rate** – The set rate per the unit of measure (UOM) used for payment of the services, included on the Price Sheet, under the Contract or Purchase Order. May be hourly, daily, weekly, monthly, etc.

u) **Vendor** – A business entity or individual that supplies services or goods and may be a potential Bidder to this IFB.

6 General IFB Information

6.1 Sole Point of Contact and Communications

The HHSC PCS Sole Point of Contact for inquiries concerning this IFB is:

Luis Meza, CTCD, CTCM

Procurement and Contracting Services Building
1100 W 49th St. MC: 2020
Austin, TX 78756

512-776-2405

Luis.Meza@hhs.texas.gov

Bidders shall NOT use the e-mail address above for submission of a Response to this IFB. See Appendix A for submission requirements.

Bidders shall direct all communications, including questions or clarifications relating to this IFB, by e-mail to the HHSC PCS Sole Point of Contact named in **Section 6.1 (Sole Point of Contact and Communications);** communications by phone will not be accepted except for purposes such as instructing a potential Respondent through an IT system or website referenced in this Solicitation.

All other communications between a Bidder and HHS agency staff concerning this IFB are prohibited. In no instance is a Bidder to discuss cost information regarding this IFB with the HHSC PCS Sole Point of Contact or any other HHS staff**. Failure to comply with these requirements may result in disqualification of the Response.**

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. See also **Section 6.2 (Exception to Sole Point of Contact)** below.

This restriction (as to only communicating in writing with the HHSC Sole Point of Contact identified above) does not preclude discussions between Bidder and agency personnel for the purposes of conducting business unrelated to this IFB.

6.2 Exception to the Sole Point of Contact

The only exceptions to the Sole Point of Contact are the HUB Coordinator, or, if expressly directed by the Sole Point of Contact, another designated System Agency representative.

6.3 Binding Offer Period

By submitting a Response to this IFB, Bidder agrees that its Response will remain a firm and binding offer for 240 days, as stated in the **HHS Solicitation Affirmations (Exhibit A).**

Bidder may extend the time for which its Response will be firm and binding and include the extended period in the Response.

6.4 Costs Incurred

Bidder understands that issuance of this IFB or retention of responses in no way constitutes a commitment by HHSC to award a Contract. HHSC accepts no obligations for costs incurred in preparing and submitting a response, including, but not limited to, preparing for or participating in a vendor conference or site visit.

Responses shall be submitted at the sole expense of the Bidder. All responses shall be prepared simply and economically, providing a straightforward, concise delineation of the Bidder's capabilities to satisfy the requirements of this IFB.

6.5 Changes, Modifications and Cancellation

HHSC reserves the right to change, amend, or modify this IFB prior to the Response Deadline indicated in the Procurement Schedule (cover page of this IFB). Changes, amendments, and modifications will be processed through one or more Addendum. The notification for any Addendum will be processed in accordance with **Section 6.8**.

HHSC reserves the right to cancel this IFB at any time. The notice of cancellation will be in accordance with **Section 6.8**.

6.6 Ambiguity, Conflict, Discrepancy

Bidders must notify the **Sole Point of Contact**, **Section 6.1**, of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in the IFB in the manner and by the deadline for submitting questions.

If Bidder fails to properly and timely notify the Sole Point of Contact, Section 6.1, of any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the IFB, the Bidder, whether awarded a contract or not:

a) shall have waived any claim of error or ambiguity in the IFB and any resulting contract,

b) shall not contest the interpretation by HHSC of such provision(s), and

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

6.7 IFB Questions or Clarifications

HHSC will allow questions and requests for clarification regarding this IFB if submitted by e-mail to the **Sole Point of Contact, Section 6.1**, by the deadline established in the Procurement Schedule (cover page of this IFB) or deadlines established in subsequent Addenda. Responses to questions or other written requests for clarification will not be provided individually to requestors but will be consolidated in one or more Addenda.

HHSC reserves the right to amend the answers to questions or clarifications prior to the Response Deadline (cover page of this IFB) through a new Addendum. The notification will be processed in accordance with **Section 6.8 (Notification of Addenda or Cancellation)**.

6.7.1 Submission of Questions or Clarifications

All questions and requests for clarification must be submitted by e-mail and include the following information:

a) IFB Number and Title of IFB (cover page of this IFB) must be included in the e-mail subject line and in the e-mail body;

b) Section or Paragraph number from this IFB;

c) Page Number of this IFB;

d) Exhibit name, Section or Paragraph, page number from the Exhibit;

e) Language, Topic, Section Heading being questioned or requested for clarification;

f) Requestor Contact Information must be included in the body of the e-mail.

Questions or requests for clarification received after the deadline set in the Procurement Schedule (cover page of this IFB), or deadlines established in subsequent Addenda, may be reviewed by HHSC but will not be answered.

6.8 Notification of Addenda or Cancellation

6.8.1 Addenda Notification

All addenda will be posted to the ESBD. It is the responsibility of each potential Bidder to monitor the ESBD for any Addenda affecting this IFB. Failure to check the ESBD will in no way release any potential Bidder or awarded Contractor from the requirements of posted Addenda. No HHS Agency will be responsible or liable in any regard for the failure of any Bidder or awarded Contractor to stay informed of all postings to the ESBD. If the Bidder fails to monitor

the ESBD for any changes or modifications to this IFB, such failure will not relieve the Bidder or Contractor of its obligation to fulfill the requirements as posted.

Bidder must acknowledge receipt of any addenda by signing and returning SOLICITATION ADDENDUM ACKNOWLEDGEMENT FORM posted to the ESBD with your solicitation response in accordance with the submission options outlined in the solicitation.

6.8.2 Cancellation Notification

HHSC reserves the right to cancel this IFB at any time. Notice of the cancellation will be posted on the ESBD. Bidders are responsible for monitoring the ESBD frequently for notices regarding this IFB.

7 Scope of Work (SOW)

7.1 Scope of Services to be Performed

The scope of work under the Drug Supply Chain Security Act (DSCSA) includes establishing and maintaining an electronic, interoperable system to serialize, verify, trace, and document prescription drug products among all trading partners. This will involve defined workflows for authorized partner checks and investigations into suspect or illegitimate products.

DSCSA vendor will provide compliant, timely, and fully monitored services to the Health and Human Services Commission (HHSC) by delivering specified program activities, maintaining necessary readiness, meeting reporting and performance standards, and ensuring complete alignment with HHSC contracts, security, and regulatory requirements for Pharmacy Operations

1. Contractor will provide a 1- Year Contract for DSCSA Compliance Subscription service for 25 locations, per **Exhibit C- Pricing Sheet.**
2. Contractor shall work with HHSC IT Personnel to install and activate DSCSA Compliance Subscription service.
3. Subscription license will come with full support.
4. Contractor Shall provide trained technician knowledgeable and skilled in the installation, setup and support of the services per the scope of services.

a) Statutory Scope

DSCSA governs human prescription drug products only; it does not apply to OTC drugs, medical devices, veterinary products, biologics regulated as devices, or homeopathic drugs

Its purpose is to create an interoperable, electronic tracing system that prevents counterfeit, diverted, or stolen drugs from entering the U.S. supply chain

b) Transition and Readiness Requirements

1. DSCSA vendor must complete all HHSC readiness review activities before the operational start date, including:
    i. Administration of key personnel, organizational readiness, financial readiness, system testing, and operational readiness reviews; and
    ii. Correction of deficiencies within 10 calendar days or submission of a Corrective Action Plan when required.

c) Staffing and Oversight

1. Notify HHSC contract manager within five calendar days of any changes in key personnel or material subcontractors via email HSCSFacilityContracts@hhs.texas.gov .
2. All transactions involving covered prescription drugs must occur only between ATPs
3. ATPs must have valid FDA licensure (Drug Establishment Current Registration for manufacturers/repackagers ; state/federal license for wholesalers and Third Party Logistics Providers (3PLs)
4. Verification of ATP status must be documented, with periodic audits (e.g., via FDA's DECRS database)

d) System, Data, and Technology Requirements

1. Maintain hardware, software, and communications systems capable of supporting all contract functions within the continental U.S.
2. Accept, process, and transmit all required HHSC data files; support MIS subsystems; and demonstrate encounter file production capability
3. Comply with HHSC data standards, TXRAMP cloud requirements, and security controls based on Texas Government Code §2054.0593.
4. Provide required security documentation (RAR, SSP, SAR) within 10 business days of HHSC request.

e) Deliverables

1. All program services defined in the contract;
2. Required data files, reports, and documentation;
3. Updated transition, readiness, and operational plans; and
4. Compliance evidence, corrective action plans, and monitoring responses.
5. A designated project manager, a milestone-based implementation schedule, and a risk management strategy.

6. Comprehensive training materials, Standard Operating Procedures, and role-based training for HHSC staff.
7. 24/7 technical support with downtime thresholds and recovery expectations.
8. Quarterly drills covering recall, suspect product, and ATPs outage scenarios to ensure continuous operational readiness.

f) Reporting Requirements

1. Maintain all transaction records securely for a minimum of six years, with the ability to retrieve, filter and export complete package-level transaction data within 48 hours of a request by the FDA or state regulatory entities.
2. Facilitate generation and submission of FDA form 3911 for products deemed "illegitimate" and coordinate notifications to affected trading partners.
3. Generate reports detailing the ATP status of all suppliers including records of initial verification, ongoing status checks and license expiration alerts.
4. Auto-generate and email weekly/monthly summary reports to facility pharmacy directors or designees.

g) Constraints

1. DSCSA vendor may not rely on implied authority and may not communicate with federal or state agencies on behalf of HHSC unless directed.

2. All work must comply with HHSC rules, TAC requirements, and federal requirements for the Drug Supply Chain Security Act

7.1.1 Service Location(s)

HHS, at its sole discretion, with a 30 days' advance written notice, reserves the right to change, consolidate, delete or add service locations.

a) Location(s) for Services- SERVICES TO BE PROVIDED REMOTELY, NOT ON-SITE

HEALTH & HUMAN SERVICESCOMMISSION

909 W 45th St #634

PO Box 149030

Bldg 4

Austin TX 78751

United States

HHS Region 7

The Map (PDF) of the HHS Regions may be accessed at:
https://hhs.texas.gov/sites/default/files/documents/about-hhs/hhs-regional-map.pdf

b) Changes to service location(s) include but are not limited to: new office space within facility, office closure, consolidation of multiple offices increasing or decreasing square footage, expansion of an office into multiple offices, and relocation of office.

7.1.2 Performance Schedule

Contractor shall perform contracted services, including any minor adjustment call-back services, Monday through Friday between the hours of 8 a.m. and 5 p.m. (Central Time). Contractor shall not interfere with normal flow of HHS Agency business at the service location.

Contractor shall respond to all service calls within four (4) hours of HHS Agency request, unless the Response Deadline is extended by the HHS Agency Contract Manager.

7.1.3 Services Outside Regular Business Hours

Any services performed outside of regular business hours (8 a.m. to 5 p.m Central Time) must be requested and/or approved in writing by the HHS Agency Contract Manager and must be invoiced at the rate stated for Outside Regular Business Hours stated in **Exhibit C – Pricing Sheet**.

Services performed outside of the regular service hours without prior approval, will be at Contractor's own risk and will be billed at the established Regular Business Hours service rate stated in **Exhibit C – Pricing Sheet**

Emergencies: The HHS Agency reserves the right to declare any necessary work within the Scope of Services to be an emergency during regular service hours or outside regular service hours, and will request emergency services in writing. Contractor shall respond on-site to a request for emergency services within one (1) hour of notification and continue work until the services requested are complete to the satisfaction of the HHS Agency.

7.1.4 State Holidays

The state holidays observed are maintained by the State Auditor's Office and may be accessed at: https://hr.sao.texas.gov/Holidays. HHS Agency does not require services to be performed on the "All agencies closed" holidays and any exception will be provided in writing to the Contractor. HHS Agency requires services to be performed for "Optional Holidays" or "Skeleton Crew Required" holidays.

To fulfill the required services, as applicable, the Contractor may perform the services on a holiday observed by HHS at NO additional expense to the HHS Agency.

Authorized services performed by Contractor on a state holiday will be invoiced at the Contract rate for Outside Regular Hours.

7.1.5 Minimum Experience and Qualifications

These minimum requirements apply to the Contractor and Contractor's personnel and any Subcontractor and Subcontractor's personnel.

Bidder shall submit documentation of experience and qualifications with Response, if requested in Exhibit C– Pricing Sheet.

a) The Bidder shall have relevant experience required for the performance of the services as outlined in this IFB. The minimum experience required is three (3) years.

b) The Bidder's personnel to be assigned to perform the services must be fully trained and, at minimum, have two (2) years' relevant experience.

c) Required Licensure and Accreditation

d) All Contractor or Subcontractor personnel assigned to perform the services must be at least 18 years of age.

e) The Bidder must provide a minimum of three (3) verifiable references for current or previous contracts of the same size and for similar or same services within the last five (5) years, if requested, in **Exhibit D – Bidder Reference Form and return with Response**.

7.1.6 HHS Agency Responsibilities

a) The HHS Agency will provide reasonable access to the facility(s) and property where services are to be performed.

b) The HHS Agency will provide keys or electronic door access cards in sufficient number for the Contractor key personnel assigned to perform the services. In no case shall the Contractor or Subcontractors make duplicates of any issued keys or access cards. The Contractor may be required to reimburse the HHS Agency for replacement costs for any lost keys or access cards or for those not returned at the expiration of the Contract.

7.1.7 Contractor Responsibilities

The Contractor(s) is solely responsible for the performance of all services and requirements referenced in Section 7.1, Scope of Work and this IFB.

Contractor will not be relieved of its obligations for any nonperformance by its employees or Subcontractor(s).

a) The Contractor shall furnish all labor, tools, transportation, equipment, materials, and supplies, as necessary, to perform the services and/or provide the goods, as required.

b) The Contractor shall be responsible for supervision of its employees and Subcontractor employees, together with clean up and proper disposal of any site work waste.

c) The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of the Contract including, if applicable, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

d) The contractor shall provide a secure platform capable of receiving, storing, and parsing interoperable, electronic package-level tracing data (transaction information, transaction history and transaction statements) from Authorized Trading Partners (ATPs).

e) The contractor shall ensure the system provided uses Electronic Product Code Information Services (EPCIS)-based data exchange standards recognized by the FDA.

f) The contractor shall ensure the system provided supports 2D barcode scanning at pharmacy locations to verify NDC, serial number, lot number, and expiration date against inbound EPCIS data.

g) The contractor shall provide automated workflows to resolve data discrepancies (e.g., data arrives without product or mismatched serial numbers).

h) The contractor shall provide and support workflows for both saleable returns and nonsaleable returns sent to a reverse distributor.

i) The contractor shall provide system workflows to electronically flag and quarantine suspicious products pending review.

j) **Training for Contractor Employees:**
All Contractor employees, and Subcontractor's employees, if applicable, assigned to perform the services must be trained and experienced in the type of work to be performed. The Contractor shall provide adequate training to all personnel assigned to perform the services on the roles, responsibilities, and technical aspects of the work.

The Contractor shall only provide and allow trained and qualified personnel to perform the required services under the Contract.

The Contractor is required to provide current copies of the completed training(s) and of the license or accreditation certificate related to the training upon request by the HHS Agency Contract Manager. This requirement also applies to Subcontractor(s) and Subcontractor's personnel who may be used in the performance of services.

7.1.8 Independent Contractor

It is understood and agreed by the HHS Agency and the Contractor that the Contractor is retained as an independent Contractor and in no event shall any employee hired by the Contractor be considered an employee of the State.

a) The Contractor shall not allow any visitors, spouses, children or other relatives of the Contractor's or Subcontractor's employees to be on state property in connection with the Contract during working hours.

b) The Contractor shall be responsible for all employment taxes and other payroll withholding for its employees.

c) The Contractor shall be responsible and liable for the safety and health of its personnel while they are performing work for an HHS agency and while on the HHS Agency premises.

d) The Contractor shall be responsible for verifying that all of its employees assigned to perform services under the Contract are in compliance with all requirements of the Immigration Reform and Control Act of 1986, Public Law 99-603, which became effective November 6, 1986, and any subsequent amendments.

e) The Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the contract to determine eligibility of (A) all persons employed by the Contractor to perform duties within Texas; and (B) all persons, including subcontractors, assigned by the Contractor to perform work pursuant to the contract within the United States of America.

f) The Contractor and the assigned Contractor employees or the Contractor's Subcontractor and Subcontractor employees assigned to perform the services must have all applicable permits, licenses, accreditations, and insurance coverage.

7.1.9 Contractor Equipment

The Contractor shall be responsible for the security, maintenance, loss or damage to its equipment or its Subcontractor's equipment while on HHS Agency premises.

HHS Agency will NOT be responsible for damage to or loss of the Contractor's or Subcontractor's equipment.

7.1.10 Background Check for Personnel

The Contractor or an independent third party may need to conduct comprehensive, statewide Texas Department of Public Safety (DPS) criminal and sex offender background checks on all Contractor personnel (e.g., permanent and temporary personnel and/or Subcontractor and Subcontractor personnel) who will be assigned to perform the services under the Contract.

The Contractor shall be responsible for all background check expenses.

The background checks must be conducted prior to any Contractor or Subcontractor personnel arriving on state property and beginning the required Contract services.

Supporting documentation confirming the completion of the background checks is subject to review upon request by the HHS Agency. Failure to produce the requested documentation, as

with any violation of the Contract, constitutes grounds for termination of the Contract with cause.

The background checks shall include, but not be limited to, Social Security Number Verification.

Statewide criminal and sex offender records shall include, but not be limited to, all Texas counties and out-of-state counties based on the current and previous addresses of the key personnel for the last seven years.

Personnel with sex offender, child or adult abuse, or fraud convictions shall not be allowed to provide Contract services and shall not be allowed access to HHS Agency property, facilities, or documents in connection with the Contract.

Assigned personnel with misdemeanor convictions must receive prior approval by the HHS Agency before being allowed to work under this Contract.

7.1.11 Absenteeism and Vacation

The Contractor shall provide substitutes for any of its employees or Subcontractor's employees providing services at the HHS facility who may be absent for any reason. The Contractor shall provide relief personnel as necessary and/or work overtime at no cost to the HHS Agency, to ensure that the requirements of this Contract are performed and accomplished as required.

7.1.12 Telephone Service

The Contractor shall have an active telephone service answered during normal business hours. Normal business hours are between 8 a.m. and 5 p.m. Monday through Friday, unless otherwise stated in the IFB.

7.1.13 24-Hour Contact

The Contractor must provide the HHS Agency Contract Manager with 24-hour contact information for a minimum of two (2) Contractor personnel so the HHS Agency may communicate urgent performance issues that require immediate correction or any other issues that may occur. The Contractor's 24-hour contact must always be available. Any urgent performance issues requiring immediate correction will be followed up in writing by the HHS Agency Contract Manager.

7.1.14 Contractor and Contractor Personnel Conduct

All personnel employed by the Contractor to fulfill the requirements and terms and conditions of the Contract remain under the Contractor's sole direction and control.

The following applies to the Contractor, Contractor employees, and, if applicable, the Contractor's Subcontractor and Subcontractor's employees.

7.1.14.1 Performance Compliance

While performing the services, all Contractor and Subcontractor personnel must comply with all applicable state rules, regulations, and HHS Agency's requests regarding personal and professional conduct applicable to the services being provided as well as the service locations. All personnel must always conduct themselves in a businesslike and professional manner.

If the HHS Agency determines that an employee of the Contractor or Subcontractor is not conducting himself or herself in accordance with the conduct standards under this Contract, the HHS Agency may provide written notice to the Contractor. Upon receipt of such notice, Contractor must promptly investigate the matter and take appropriate action that may include:

a) Removing the employee from the project;

b) Providing the HHS Agency with written notice of such removal; and

c) Providing the HHS Agency with the information for the replacement employee, who must be qualified and trained, within the timeline designated by the HHS Agency.

7.1.14.2 Contractor Supervisor(s) and Performance Monitoring

The Contractor shall provide competent supervisor(s) if the service location is at an HHS Agency facility. A Supervisor may be considered a roving Supervisor to monitor more than one location with approval from the HHS Agency Contract Manager.

All supervisors must be able to communicate in English verbally and in writing. The supervisor shall be knowledgeable of the Statement of Work (SOW) and requirements of the Contract.

The Contractor and the supervisors shall continuously monitor and maintain awareness, by personal inspection, of the quality and completeness of the work being performed. The Contractor and supervisor may be requested and required to inspect the HHS Agency facility with the HHS Agency Contract Manager or designee.

7.1.14.3 Personnel Removal and Replacement

a) Removal

The HHS Agency may request removal for cause of any Contractor or Subcontractor employee assigned to the Contract, including but not limited to:

1. poor or unacceptable work performance,
2. theft,
3. abusive language or behavior, or
4. improper attire, in accordance with the terms and conditions of the Contract.

Occurrences of this type may be cause for termination of the Contract.

b) Replacement

Replacement of Contractor or Subcontractor personnel will be subject to HHS Agency review and approval. At the request of the HHS Agency, the Contractor must replace any Contractor or Subcontractor personnel who are not adequately performing the required services or who are unable to work effectively with the HHS Agency Contract Manager or other HHS staff. The Contractor shall provide replacement personnel who have the required qualifications and training as outlined in this IFB and resulting Contract. The Contractor and HHS Agency Contract Manager will work together in the event of any such required replacement to prevent disruption in the services or performance schedule and will mutually agree upon the timeline for the replacement.

7.1.14.4 Intoxicants and Illegal Drugs Prohibited

The use or possession of any kind of intoxicants or illegal drugs by Contractor (or any of its Subcontractors) employees while on duty at HHS Agency premises, including the building and grounds, is prohibited. At the sole discretion of the HHS Agency, non-compliance with this requirement may result in termination of the Contract.

7.1.14.5 Smoking Prohibited

All HHS Agency facilities are nonsmoking buildings. **Contractor's and Subcontractor's employees are prohibited from smoking in all non-designated areas.**

7.1.14.6 Contractor Uniforms and Identification

All Contractor and Subcontractor employees are required to wear company uniforms and identifying badges while providing services in or delivering to HHS Agency premises.

Uniforms may be company shirts or T-shirts, smocks, and pants or shorts. The Contractor shall contact the HHS Agency Contract Manager to request approval for the use of other apparel.

The Contractor's or Subcontractor's uniform apparel must be of one standard color or design.

The Contractor's or Subcontractor's on-site managers or supervisors may wear a distinguishing style of uniform but should strive to maintain a company "standard color" to aid in identification.

All Contractor and Subcontractor personnel must prominently display their company identification badges or the company name and employee's name (first and/or last) must be on their shirt, T-shirt or smock.

8 HUB Subcontracting Plan (HSP) Requirements

The Comptroller of Public Accounts (CPA), Statewide Procurement Division (SPD) administers the Historically Underutilized Business (HUB) Program in accordance with Chapter 2161, Texas Government Code, and Title 34,TAC Part 1, Chapter 20, Subchapter D, Division 1 Rules §20.281 to §20.298, . The HUB Program rules may also be accessed at: https://comptroller.texas.gov/purchasing/vendor/hub/.

It is the policy of HHSC to promote and encourage contracting and subcontracting opportunities with State of Texas-certified Historically Underutilized Businesses (HUBs). Information regarding the HHSC Policy on Using HUBs may be accessed at: https://hhs.texas.gov/doing-business-hhs/contracting-hhs/historically-underutilized-business-opportunities-program.

8.1 HUB Subcontracting Plan (HSP)

Although submission of the HSP is not required, if Bidders identify subcontracting opportunities or have a need to subcontract to fulfill any portion of an awarded Contract, Bidders are encouraged to submit, with their Proposal, a properly completed HSP.

To obtain more information regarding the HSP, contact the HUB Program Office. Provide the IFB number and title (cover page of this IFB).

- Phone: 512-406-2570 or
- E-mail: HHSCHUB@hhs.texas.gov

9 Pricing Information

9.1 Pricing Structure

Prices offered, as part of the Bidder's response, must be firm, fixed prices for the life of the Contract.

The pricing must be submitted only using **Exhibit C - Pricing Sheet** based on the description and the unit of measure(s) provided for each line item. The unit prices must include all IFB requirements, including, but not limited to, labor, equipment, materials, supplies and all related expenses.

9.2 Price Adjustments

Contractors are required to immediately implement any price decrease that become available during the Contract term. Contractor must notify the designated HHSC Contract Manager in writing so that a Purchase Order Change Notice or Contract Amendment may be processed. The Contractor will be provided the HHS Agency Contract Manager contact information upon award.

9.2.1 Price Adjustment Index

Price adjustments are not automatic. Prices only may be adjusted at the sole discretion of HHSC.

HHSC may permit price adjustments when correlated with the index as specified below and as published by the Bureau of Labor Statistics (BLS), Region VI, Washington, DC 20212.

BLS Website: https://data.bls.gov/cgi-bin/srgate

CPI-W Urban Wage Earners and Clerical Workers – Series ID: CWURR0000AA0:
https://data.bls.gov/timeseries/CWUR0000AA0

CPI-U All Urban Consumers – Series ID: CUUR0000AA0
https://data.bls.gov/timeseries/CUUR0000AA0

When using the most recent monthly information from the index, the following applies:

A = Index from the month of the Response Deadline of this IFB, OR

The effective date/month of the last approved price increase or renewal option exercised, whichever is later.

B = Current or latest baseline index

The allowable percent change must be calculated as follows:

B-A ÷ A x 100% = Percent of allowable price increase or decrease

Failure by the Contractor to calculate this formula and provide any supporting documentation will not be considered a properly submitted price increase request and will result in rejection of the price increase request.

The Contractor may offer price decreases in excess of the allowable percent change at any time during the term of the Contract.

9.2.2 Price Adjustment Requests

The Contractor must provide, in writing to the HHS Agency Contract Manager, a request for a price adjustment. The adjustment request must use the index and formula identified in **Section 9.2.1 (Price Adjustment Index). Only contracts with renewals are eligible for CPI increases and must be completed prior to the start of the renewal period.**

Contractor must provide supporting documentation to justify any price adjustment. Any request submitted that fails to use the formula above for calculating a price adjustment will not be considered a complete, properly submitted request and will be rejected. Additionally, any request submitted that does not include supporting documentation will not be considered a complete, properly submitted price adjustment request and will be rejected.

The HHS Agency reserves the right to accept or reject the request for a price adjustment. The Contractor will receive written notification, through a Purchase Order Change Notice or Contract Amendment, from the HHS Agency Contract Manager documenting action taken, to include effective dates, for any adjustments approved.

9.2.3 Discounts

If Contractor at any time during the term of the Contract provides a discount on the final contract costs, Contractor will notify HHSC in writing at least ten (10) calendar days prior to the

effective date of the discount. HHSC will generate a Purchase Order Change Notice or other Contract Amendment and send a revised Purchase Order or amended Contract to Contractor.

9.2.4 Federal Minimum Wage Adjustments

Contractor may request a price adjustment based on an increase in the Federal Minimum Wage Rate, published by the U.S. Department of Labor (USDOL), if applicable.

The request must be submitted to the HHS Agency Contract Manager in writing and include supporting documentation from the USDOL reflecting the increase and the effective date of the increase. HHSC reserves the right to accept or reject the request for an increase.

The effective date for an increase, if approved, will be based on the date of approval by the HHS Agency. Retroactive increases will not be allowed or approved if the USDOL effective date is prior to the date the written request is received by HHSC. Notification of an approved increase in the Contract rate will be provided through a Purchase Order Change Notice or Contract Amendment from the HHS Agency Contract Manager to include the new unit price and effective date for the increase.

10 Changes to The Contract

Following award, additional services or changes, within the scope, or parameters of this IFB, will be added/removed via Purchase Order Change Notice (POCN) or Contract Amendment approved by the HHS Agency and the Contractor.

11 Contract Term

11.1 Term of Contract

The awarded Contract will be effective on the date the Contract is issued and will expire based on the schedule for delivery of services as outlined in this IFB or by the date or delivery days after receipt of order (ARO) provided by the Bidder.

11.2 Initial Contract Term:

Any contract resulting from this IFB will begin date of award and expire one year from date of award.

11.3 Extension Option

The HHS Agency, at its sole option and subject to availability of funding, may extend the term of the Purchase Order or other Contract beyond the initial term and all exercised renewal periods for up to one (1) year as necessary to ensure continuity of service, to process a new IFB, to secure a new contract, for purposes of transition to a new Contractor, or as otherwise determined by the HHS Agency.

This extension, if exercised, will require the Contractor to continue performing services in accordance with the Purchase Order Change Notice (POCN) or other Contract Amendment, Contract requirements and all terms and conditions.

12 Contract Administration/ Purchase Order Administration

12.1 Contract Manager/Program Lead

An HHS Agency Contract Manager or Program Lead will be designated, and the contact information will be provided to the Contractor.

After award of any Contract resulting from this IFB, all communications related to the Contract and requests for changes to the Contract will be processed through the designated HHS Agency Contract Manager.

12.2 Performed Services Monitoring

a) The HHS Agency Contract Manager or designee will monitor all work performed by Contractor and shall regularly communicate with the Contractor to address questions, concerns or progress.

b) It is important that the Contractor performs all duties and requirements as stated. Failure to do so may result in termination of the Contract.

c) All services and deliverables must meet or exceed the required levels of performance specified in this IFB.

d) Contractor will be notified by the HHS Agency Contract Manager or designee in writing to correct any service or portion of a service. The Contractor shall take immediate action to correct the service or portion of a service at no additional cost to the HHS Agency. The Contractor shall notify the HHS Agency Contract Manager or designee upon completion for HHS Agency inspection and acceptance, as applicable.

12.3 Performance Reporting

The HHS Agency Contract Manager is required to report vendor performance for purchases over $25,000 through the Texas Comptroller of Public Accounts (CPA) Vendor Performance Tracking System (VPTS). The VPTS reporting is required throughout the life of a contract and not just at its conclusion. HHSC PCS, at its sole discretion, may submit reports in the VPTS on Contracts under $25,000. The VPTS information and report search may be accessed at: https://www.txsmartbuy.gov/vpts

Performance Notification – Non-Material Deficiency

The HHS Agency may notify Contractor in writing of specific areas of the Contractor's performance that fail to meet performance expectations, standards, or schedules, but that, in

the determination of the HHS Agency, do not result in a material deficiency or delay in the implementation or operation of the services.

12.4 Contractor Response to Notification of Non-Material Deficiency

The Contractor shall, within three (3) business days (or another date approved by the HHS Agency) of receipt of written notice of a non-material deficiency, provide the HHS Agency Contract Manager a written response that:

a) Explains the reasons for the deficiency, the Contractor's plan to address or cure the deficiency, and when the deficiency will be cured.

The Contractor's noncompliance or failure to timely correct the deficiency may result in delayed payment or non-payment as determined by the HHS Agency.

12.5 Corrective Action Plan (The Plan)

At its discretion, the HHS Agency may require the Contractor to submit a detailed written Corrective Action Plan and include how the Contractor will correct or resolve a performance issue, deficiency, or a breach of this Contract.

The Plan, at a minimum, must include, but is not limited to:

a) A detailed explanation of the reasons for the cited deficiency;

b) The Contractor's assessment or diagnosis of the cause; and

c) A specific proposal to cure or resolve the deficiency to include a timeline for implementation.

The Plan must be submitted by the deadline set forth in the HHS Agency's request.

The Plan is subject to HHS Agency approval.

12.6 Performance Issues

The Contractor shall be required to correct all performance issues reported by the HHS Agency Contract Manager within 48 business hours. The Contractor shall provide a written report detailing the performance issue(s) and resolution. The HHS Agency's Contract Manager will report/discuss performance deficiencies with the Contractor and seek to achieve resolution of the issues.

12.7 Public Information Act – Bidder Requirements Regarding Disclosure

Proposals and contracts are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be released to the public upon request. The HHS Agency also is required to post certain contracts and IFB responses on its public website and to provide such information to the Legislative Budget Board for posting on its website.

If Bidder asserts that information provided in its IFB Response is exempt from disclosure under the PIA, Bidder must:

a) Mark Original Proposal

1. Mark the Original Proposal, 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); and
2. Identify, adjacent to each portion of the IFB Response, that Bidder claims is exempt from public disclosure, the claimed exemption from disclosure (NOTE: no redactions are to be made in the Original IFB Response).

b) Certify in Original IFB Response - HHS Solicitation Affirmations (attached as Exhibit A to this IFB)

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

c) Submit Public Information Act Copy of Response

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

ii. 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);

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

iv. Bidder 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 Response as required in Subsection (a)(2), above. The only difference in required markings and information between the Original Response and the "Public Information Act Copy" of the response will be redactions - which can only be included in the "Public Information Act Copy." There must be no redactions in the Original Response.

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

If any or all Bidders submit partial, but not complete, information suggesting inclusion of confidential information and fail to comply with the requirements set forth in this section, HHSC, in its sole discretion, reserves the right to (1) disqualify all Bidders that fail to fully comply with the requirements set forth in this section, or (2) to offer all Bidders that fail to fully comply with the requirements set forth in this section additional time to comply.

Bidder should not submit a Public Information Act Copy indicating that the entire proposal is exempt from disclosure. Merely making a blanket claim that the entire proposal is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable, and may make the entire IFB Response subject to release under the PIA.

IFB Responses should not be marked or asserted as copyrighted material. If Bidder asserts a copyright to any portion of its proposal, by submitting a proposal, Bidder agrees to reproduction and posting on public websites by the State of Texas, including HHSC and all other state agencies, without cost or liability.

HHSC will strictly adhere to the requirements of the PIA regarding the disclosure of public information. As a result, by participating in this IFB process, Bidder acknowledges that all information, documentation, and other materials submitted in the Response to this IFB 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. Bidders 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 Bidders.

For more information concerning the types of information that may be withheld under the PIA or questions about the PIA, refer to the most current 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 and download the current Public Information Act Handbook, visit the attorney general's website at https://www.texasattorneygeneral.gov/open-government/members-pub

12.8 Bidder Waiver – Intellectual Property

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

13 Invoicing and Payment

HHS System Agency will make contract payments in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 governs remittance of payment and contractor remedies for late payment and non-payment.

13.1 Bill-to Address

The Contract or Purchase Order will include the appropriate bill-to address for the submission of invoices to any HHS Agency requesting services.

13.2 Invoice Information

Invoices submitted to the HHS Agency must include the Contract or Purchase Order number and must describe the work completed, in detail, for which payment is requested. The detail of the work completed must comply with the Scope of Work and **Pricing Sheet** (see **Exhibit C**).

13.3 Payment

a) Payment will be made by the HHS Agency in accordance with the pricing provided on **Exhibit C- Pricing Sheet**. The pricing is considered all-inclusive, and no other pricing may be provided on an invoice.

b) The HHS Agency must acknowledge that the services have been satisfactorily performed and products received, if applicable, which are included on an invoice prior to approving the invoice for payment.

c) Any additional expenses incurred by the Contractor are the responsibility of the Contractor and will not be paid by the HHS Agency.

d) The HHS Agency will not pay any per diem, travel, hotel, equipment, phone calls, paper, reproduction services, office space, or other incidental expenses related to performing the services required by the Contract.

13.4 Invoice Submission

a) Contractor must submit invoices for services performed on a monthly basis or as otherwise indicated on the purchase order.

b) Separate invoices must be submitted for each service performed or deliverable, as applicable.

c) Failure to submit an accurate and valid invoice with all required information may result in delay of payment.

13.5 Disputed Invoice(s)

In accordance with Title 34 Texas Administrative Code, Rule §20.487(b), the HHS Agency will immediately return disputed invoices to the Contractor but in no event later than the 21st day after the HHS Agency receives the invoice. The HHS Agency reserves the right to dispute any portion of an invoice and will attempt to resolve the dispute with the Contractor in good faith. The HHS Agency shall not be required to pay any disputed portion of an invoice until the dispute is resolved. Notwithstanding any such dispute, the Contractor must continue to perform the services and/or produce deliverables in compliance with the terms of the Contract. Pending resolution of a dispute, the HHS Agency will continue to process payments for undisputed amounts and invoices to the Contractor.

14 Insurance Requirements

Contractor may be required to submit bond documentation and current certificates of insurance or other proof acceptable to the HHS Agency at the time of notification of a potential award and such proof must be received by the HHS Agency Contract Manager prior to execution by the HHS Agency of any contract. The HHS Agency, in its sole discretion, may request additional evidence of insurance or bonds coverage as deemed necessary.

The HHS Agency may designate a deadline for submission of proof of required insurance or bonds. Failure to timely submit acceptable proof may result in the HHS Agency's revocation of the award.

Contractor shall maintain the required insurance during the initial Contract term and any renewal or extension period exercised. Contractor shall be responsible for ensuring its subcontractors are in compliance with all applicable insurance and bond requirements.

a) Contractor shall carry insurance in the types and amounts indicated for the duration of the Contract. The insurance shall be evidenced by delivery to HHS of certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Upon request, HHS, and/or its agents, shall be entitled to receive, without expense, copies of the policies and all endorsements.

b) Contractor shall update all expired policies prior to submission for monthly payment. Failure to update policies may be reason for withholding of payment until renewal is provided to HHS.

c) Contractor shall provide and maintain all insurance coverage with the minimum amounts described throughout the life of the Contract.

d) Failure to maintain insurance coverage, as required, may be grounds for suspension of work for cause, termination of contract, or other remedies.

e) Contractor shall deliver to HHS true and complete copies of certificates and corresponding policy endorsements within 10 days following award.

f) Failure of HHS to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of HHS to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

g) The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to HHS in the Contract.

h) The insurance coverage and limits established below shall not be interpreted as any representation or warranty that the insurance coverage and limits necessarily will be adequate to protect Contractor.

i) Coverage shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company or similar rating company or otherwise acceptable to HHS.

j) This insurance shall not be canceled, materially changed, or non-renewed except after thirty (30) days' written notice has been given to HHS.

k) It is agreed that Contractor's insurance shall be deemed primary with respect to any insurance or self-insurance carried by HHS for liability arising out of operations under the Contract. The Health and Human Services Commission, its officials, directors, employees, representatives, and volunteers shall be added as additional insureds as respects operations and activities of, or on behalf of the named insured performed under Contract with HHS. The additional insured status must cover completed operations as well. This is not applicable to workers' compensation policies.

l) A waiver of subrogation in favor of the Health and Human Services Commission shall be provided in all policies.

m) Without limiting any of the other obligations or liabilities of Contractor, Contractor shall require each Subcontractor performing work under the Contract to maintain, at Subcontractor's own expense, during the term of the Contract, the same stipulated minimum insurance including the required provisions and additional policy conditions as shown above.

n) As an alternative, Contractor may include its Subcontractors as additional insureds on its own coverage as prescribed under these requirements. Contractor's certificate of insurance shall note in such event that Subcontractors are included as additional insureds and that Contractor agrees to provide workers' compensation for Subcontractors and their employees. Contractor shall obtain and monitor the certificates of insurance from each Subcontractor in order to assure compliance with the insurance requirements. Contractor must retain the certificates of insurance for the duration of the Contract plus seven (7) years and shall have the responsibility of enforcing these insurance requirements among its Subcontractors. Owner shall be entitled, upon request and without expense, to receive copies of these certificates.

14.1 Specific Insurance Requirements

For the full term of the Contract, including the original Contract term and all periods of renewal and all additional extensions, Contractor and its Subcontractors, if any, shall obtain and maintain all insurance coverage as set forth below. Contractor shall be responsible for ensuring its Subcontractors' compliance with all requirements.

14.1.1 Workers' Compensation and Employer's Liability

Insurance with limits as required by the Texas Workers' Compensation Act, with the policy endorsed to provide a waiver of subrogation in favor of the Health and Human Services Commission, employer's liability insurance of not less than:

a) Employer's Liability: Each Accident $1,000,000

b) Disease: Each Employee $1,000,000

c) Disease: Policy Limit $1,000,000

Workers' compensation insurance coverage must be provided for all workers at all tier levels and meet the statutory requirements of the Texas Labor Code.

14.1.2 Commercial General Liability

Including premises, operations, independent Contractor's liability, products and completed operations and contractual liability, covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring Contractor's liability for bodily injury (including death) and property damage with a minimum limit of:

a) $1,000,000 per occurrence;

b) $2,000,000 general aggregate;

c) $5,000 Medical Expense each person;

d) $1,000,000 Personal Injury and Advertising Liability;

e) $2,000,000 products and completed operations aggregate;

f) $50,000 Damage to Premises Rented to You; and

g) Coverage shall be on an "occurrence" basis.

The term "You" as referenced in the subsection above, means the Contractor.

14.1.3 Commercial Automobile Liability

Covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage of $1,000,000 per accident. No aggregate shall be permitted for this type of coverage.

14.1.4 Professional Liability Insurance.

Contractor shall obtain, pay for and maintain professional liability errors and omissions insurance during the Contract term, insuring Contractor for an amount of not less than $1,000,000.

14.1.5 Umbrella Liability Insurance

Contractor shall obtain, pay for and maintain umbrella liability insurance during the Contract term, insuring Contractor for not less than $1,000,000 that provides coverage at least as broad as and applies in excess and follows form of the primary liability coverages required hereinabove.

The policy shall provide “drop down” coverage where underlying primary insurance coverage limits are insufficient or exhausted.

14.2 Alternative Insurability

Notwithstanding the preceding, the HHS Agency reserves the right to consider reasonable alternative methods of insuring the Contract in lieu of the insurance policies customarily required. It will be the Contractor's responsibility to recommend to the HHS Agency alternative methods of insuring the Contract. Any alternatives proposed by Contractor should be accompanied by a detailed explanation regarding Contractor's inability to obtain the required insurance and/or bonds. The HHS Agency shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

15 Screening of Responses

Neither issuance of this IFB nor retention of Responses constitutes a commitment on the part of HHSC to award a Contract. HHSC reserves the right to reject any or all Responses and to cancel this IFB if HHSC, in its sole discretion, considers it to be in the best interests of HHSC to do so.

Retention of Responses by HHSC confers no legal rights upon any Bidder.

HHSC reserves the right to select qualified Bidders to this IFB with or without discussion of the Response with Bidders.

15.1 Administrative Screening

An administrative screening of Responses timely received will be conducted by HHSC PCS to determine which Responses meet all IFB minimum requirements and are deemed responsive and qualified for further consideration and evaluation.

Appendix A – Submission Instructions and Response Checklist will be used to conduct the screening process.

HHSC reserves the right to ask questions or request clarification from any Bidder at any time during the screening process.

15.2 Irregularities

HHSC reserves the right to waive irregularities in a Response. An irregularity is an omission or error that, in HHSC's determination if waived or modified when screening Responses, would not give a Bidder an unfair advantage over other Bidders or result in a material change in the Response or IFB requirements.

HHSC, at its sole discretion, may give a Bidder the opportunity to submit missing information or make corrections. The missing information or corrections must be emailed to the Sole Point of Contact, **Section 6.1 (Sole Point of Contact and Communications)** by the deadline set by HHSC. Failure to respond before the deadline may result in HHSC's rejecting the Response and the Bidder not being considered for award.

Note: Any disqualifying factor set forth in this IFB does not constitute an irregularity (e.g., Submission of Exhibit A HHS Solicitation Affirmations, which must be completed, signed and submitted with the IFB Response) and will not be waived.

16 Evaluation

16.1 Evaluation of Responses

It is understood that all Responses will become a part of HHSC PCS' official procurement files and will be available for public inspection in accordance with the Texas Public Information Act after Contract award or the procurement has been cancelled.

HHSC reserves the right to conduct studies and other investigations as necessary to evaluate any Response.

16.2 Conformance with State Law for Evaluation

Responses shall be evaluated in accordance with Title 10, Subtitle D, Chapter 2155, Sections 2155.074, 2155.075(a), and 2155.144; and Chapter 2156, Section 2156.007, Texas Government Code; and Chapter 2157, Section 2157.003.

Sections 2155.074, 2156.007, and 2157.003 provide the Best Value Standard for the purchase of goods or services and for the award, which includes consideration of the purchase price and whether the Bidder meets all requirements of this IFB.

16.3 Specific Evaluation Criteria

HHSC shall not be obligated to select the Bidder with the lowest price but shall make an award to the Bidder who provides the best value to the State of Texas.

All Responses will be evaluated according to the following criteria:

a) Bidder meeting or exceeding the requirements and specifications in accordance with this IFB;

b) Bidder's ability to meet performance delivery requirements; and

c) Price.

16.3.1 Required Pricing

The **Pricing Sheet, Exhibit C,** identifies the pricing requested and required for services and related products, if applicable, outlined in this IFB. The pricing is significant in the overall evaluation of the Responses. HHSC PCS is not obligated to select the lowest priced Response. The pricing will be evaluated across all Bidders to determine the Response with the lowest price per line item or lowest total for all line items on Exhibit C – Pricing Sheet.

The award will be made to the Bidder whose Response offers the best value to the State based on all factors considered, including price.

16.3.2 Verification of Past Vendor Performance

By submitting a Response, the Bidder generally releases from liability and waives all claims against any party providing information about the Bidder at the request of HHSC.

Bidders may be rejected as a result of unsatisfactory past performance under any contract(s) as reflected in vendor performance reports, reference checks, or other sources.

The Bidder's past performance may be considered in the evaluation process and prior to making an award determination.

Reasons for which a Bidder may be denied a contract include, but are not limited to:

a) Bidder has unfavorable reports or grade less than a "C" on the CPA Vendor Performance Tracking System (VPTS),

   OR,

b) Bidder is currently under a corrective action plan through HHSC, OR,

c) Bidder has had repeated, negative vendor performance reports for the same reason, OR,

d) Bidder has a record of repeated non-responsiveness to vendor performance issues, OR,

e) Bidder has contracts or purchase orders that have been cancelled in the previous 12 months for non-performance or sub-standard performance.

In addition, HHSC may examine other sources of vendor performance, which may include information provided by any governmental entity, whether an agency or political subdivision of the State of Texas, another state, or the federal government.

The performance information may include, but is not limited to:

a) Notices of termination,

b) Cure notices,

c) Assessments of liquidated damages,

d) Litigation,

e) Audit reports, and

f) Non-renewals of contracts.

Further, HHSC, at its sole discretion, may initiate investigations or examinations of vendor performance based upon media reports. Any negative findings, as determined by HHSC in its sole discretion, may result in HHSC's removing the Bidder from further consideration for award.

16.3.3 Ability to Perform

Evaluation will be based upon Bidder's demonstrated experience and ability to provide services and related goods. The evaluation may also consider the Bidder's demonstrated financial capability, financial solvency, and capacity to fulfil the requirements of this IFB.

17 Award

All awards are contingent upon approval of the HHSC Executive Commissioner or designee.

HHSC, at its sole discretion, reserves the right to make a single award or multiple awards to achieve the best value for the state.

18 Standards of Conduct for Vendors

Pursuant to Title 1 Texas Administrative Code (TAC), Part 15, Chapter 391, Subchapter D, Rule §391.405(a), contractors, respondents, and vendors interested in working with HHS are required to implement standards of conduct to apply to all matters involving, or related to, those solicitations and contract(s) between themselves and HHS. 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 and must be at least as restrictive as those applicable to HHS personnel in the applicable ethics law and policy provisions.

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 TAC, Part 15, Chapter 391, Subchapter D).

The standards of conduct, together with the responsibilities and restrictions incorporated herein, also apply to subcontractors of contractors, respondents and vendors.

Standards of conduct of any contractor, respondent or vendor may be reviewed and/or audited by the State Auditor and HHSC. Additionally, pursuant to Title 1 TAC, Part 15, Chapter 391, Subchapter D, Rule §391.405(a), HHS 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 or contractor that violates a provision of Title 1 TAC, 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.

19 Disclosure of Interested Parties

Subject to certain specified exceptions, Texas Government Code Section 2252.908, Disclosure of Interested Parties, applies to a contract of a state agency that has a value of at least $1 million or a contract that requires an action or vote by the governing body of the agency before the contract may be signed or a Purchase Order can be issued. One of the requirements of Section 2252.908 is that a business entity (defined as "any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation") must submit a Form 1295, Certificate of Interested Parties, to the state agency at the time the business entity is notified it is a potential awardee or at the time the business entity submits the signed contract to the agency.

Bidder represents and warrants that, if selected for award of a contract as a result of this IFB, Bidder shall submit to HHSC the signed Certificate of Interested Parties processed online through the Texas Ethics Commission (TEC) **prior to contract award.**

Information regarding the online process for completing Form 1295 is available at: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

For further information:

Reference Section 2252.908 of the Texas Government Code which can be accessed at: https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2252.htm#2252.908.

Title 1, Chapter 46, Disclosure of Interested Parties of the Texas Administrative Code which can be accessed at:

https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=1&pt=2&ch=46&rl=Y .

If the potential awardee does not timely submit a completed, certified, and signed TEC Form 1295 to HHSC, HHSC is prohibited by law from executing a contract, even if the potential awardee is otherwise eligible for award.

20 Protest Procedures

Texas Administrative Code, Title 1, Part 15, Chapter 391, Subchapter C provides a formal protest procedure to be used by any Bidder who is allegedly aggrieved in connection with the IFB, evaluation, or award of a contract by HHSC.

Appendix A – Submission Instructions and Response Checklist

Before submitting a Response to this IFB, read the ENTIRE IFB including all exhibits, attachments, forms, etc. Failure to read any part of this IFB will not relieve the Bidder from any submission requirements or a Contractor of its contractual obligations.

Each Bidder submits a Response at its own risk and is solely responsible for ensuring its Response is submitted in accordance with all IFB requirements, including, but not limited to, instructions in this Appendix, proper labeling, sufficient postage, or delivery fees, and ensuring timely receipt by HHSC.

In no event will HHSC be responsible or liable for any delivery delays or errors. Responses must be received by HHSC by the Response Deadline as identified in the Procurement Schedule on the cover page of this IFB.

Each Response must include all required information/documents for this IFB, but also may contain additional information considered pertinent by Bidder. HHSC reserves the right to reject any or all responses. All responses become the property of HHSC and subject to the Public Information Act (PIA).

Failure to comply with these instructions or the submission requirements may result in disqualification of the Response.

SUBMISSION REQUIREMENTS

Responses submitted by facsimile, or any other method not specified in this IFB, will NOT be accepted or considered. See Exhibit E- HHS Online Bid Room Information and Exhibit E-1 PCS Map.

3. E-Mail Submission

The Bidder is solely responsible for ensuring that the electronic Response is complete and submitted to, and RECEIVED by, HHSC before the Response Deadline identified in the Procurement Schedule (cover page of this IFB) or deadline established in subsequent Addenda. HHSC is not responsible for lost, misdirected or late Responses. Late Responses will be disqualified.

The Response, including all documentation required by this IFB and this Appendix, must be sent in its entirety in one or more e-mails as warranted by the size of each attachment.

Responses sent by e-mail must be sent to: pcsbids@hhs.texas.gov.

a) E-mail Subject Line

The e-mail subject line must contain the IFB number, title as indicated on the cover page of this IFB and number of e-mails if more than one (e.g., 1 of #, etc.).

b) Body of E-mail

The body of each e-mail must include the following information:

- Bidder's name
- Contact Name for Response
- Phone number for Response Contact
- IFB number from cover page of this IFB
- Purchaser Name (**Sole Point of Contact and Communications, Section 6.1**).

HHSC takes no responsibility for e-mailed Responses that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by any HHSC anti-virus or other security software. HHSC will not be held responsible for any Response that is mishandled prior to receipt by HHSC PCS.

c) Additional Information Regarding Electronic Submission by E-Mail

All documents should be submitted in Microsoft Office® formats (Word® and Excel®, as applicable) or in a form that may be read by Microsoft Office® software. Any documents with signatures shall be submitted as an Adobe® portable document format (.pdf) file. HHSC is not responsible for documents that cannot be read or converted. Unreadable Responses may be, in HHSC's sole discretion, rejected as nonresponsive. Files must be attachments to the email. Links and access given to file storage accounts are not permitted.

Be aware Internet Service Providers may limit file sizes on outgoing emails; therefore, it is recommended Responses not contain graphics, pictures, letterheads, etc., which consume a lot of space. These typically include *.tif/*.tiff, *.gif, & *.bmp file extensions, but may use others, as well. HHSC's firewall virus protection runs at all times, so during times of new active virus alerts, incoming traffic may be delayed while virus software scans emails with attachments. Attachments may not exceed 25 MB due to HHSC email file size requirements.

4. HHS Online Bid Room

Responses may be submitted through the HHS Online Bid Room. **See Exhibit E – Online Bid Room for information regarding the two-part registration process required prior to submitting a Response.**

HHSC will not be held responsible for any Response that is mishandled prior to receipt by HHSC PCS.

The Bidder is solely responsible for ensuring that the Response is complete and submitted to, and RECEIVED by, HHSC before the Response Deadline identified in the Procurement Schedule (cover page of this IFB) or deadline established in subsequent Addenda. HHSC is not responsible for lost, misdirected or late Responses, or technical difficulties preventing submission through the Online Bid Room. Late Responses will be disqualified.

The Response, including all documentation required by this IFB and this Appendix, must be submitted in its entirety.

5. Hand Delivery or Overnight/Express/Priority Mail delivery of USB Drive

The Bidder is solely responsible for ensuring that the Response is complete and submitted to and RECEIVED by HHSC before the Response Deadline identified in the Procurement Schedule (cover page of this IFB) or deadline established in subsequent Addenda. HHSC is not responsible for lost, misdirected or late Responses. Late Responses will be disqualified.

All documents should be submitted on a single USB drive and must be in Microsoft office® formats (Word® and Excel®, as applicable) or in a form that may be read by Microsoft office® software. Any documents with signatures shall be submitted as an Adobe® portable document format (pdf) file. HHSC is not responsible for documents that cannot be read or converted. Unreadable Responses may be, in HHSC's sole discretion, rejected as nonresponsive.

The Response must include all documentation required by this IFB and this Appendix.

a) Submit one (1) USB drive of the complete Response package – hard copy Responses will not be accepted.

b) The USB drive must be enclosed in properly documented and sealed envelope or sealed carton.

c) The envelope or carton must be properly labeled, on the face or top of each, with the following:

   1. Bidder's name
   2. Contact Name for Response
   3. Phone number for Response Contact
   4. IFB number from the cover page of this IFB
   5. HHSC PCS Purchaser Name (Sole Point of Contact and Communications, Section 6.1).

d) The address for hand delivery:

Click here for driving instructions to PCS.

See Exhibit E-1- PCS Map
Health and Human Services Commission
Attn: Bid Room Coordinator
Procurement and Contracting Services Building
1100 W 49th St. MC: 2020
Austin, TX 78756

The address for Overnight/Express/Priority Mail delivery is:

Health and Human Services Commission

Attn: Bid Room Coordinator
Tower Building Room 108
1100 W 49th St. MC: 2020
Austin, TX 78756

It is the 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 IFB Responses will not be considered at HHSC's sole discretion.

HHSC will not be held responsible for any IFB Response that is mishandled prior to receipt by HHSC PCS. It is the Respondent's sole responsibility to mark appropriately and deliver the IFB 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 IFB Response.

6. CHECKLIST FOR SUBMISSION OF RESPONSE

This checklist is included to provide assistance in submitting a complete and accurate Response to this IFB.

Failure to submit the following with the Response WILL disqualify the Bidder from further consideration for evaluation or award.

- ☐ **Exhibit A** - HHS Solicitation Affirmations (Pages 1-14), completed and signed
- ☐ **Exhibit C** - Pricing Sheet, completed

Failure to submit the following with the Response **MAY** disqualify a Bidder. HHSC will review all Responses received and will determine if any or all Responses which do not include the complete, signed (if applicable) copies of Addenda or requested information and documentation will be disqualified or whether additional time will be permitted for submission of the incomplete or missing documentation. If additional time will be permitted, Bidders will be notified in writing to provide the missing documentation by a specified deadline. Failure by Bidder to submit the requested documentation by that deadline WILL result in disqualification.

- ☐ **Provide any other information Bidder believes is pertinent** to demonstrate the Bidder's financial capability, financial solvency, and capacity to fulfill the requirements of this IFB.
- ☐ **Addendum Acknowledgement Form(s),** if applicable
- ☐ **Public Information Act** Copy of Response, if applicable. Reference Section 12.7 Public Information Act – Bidder Requirements Regarding Disclosure