

PROFESSIONAL SERVICES AGREEMENT

CONTRACT NO. 1530-14427

FOR

DEPENDENT ELIGIBILITY VERIFICATION AUDIT

BETWEEN



COOK COUNTY GOVERNMENT

DEPARTMENT OF RISK MANAGEMENT

AND

HEALTH MANAGEMENT SYSTEMS, INC.
(Based on State of Illinois Contract No. CIBADEVA01)

PROFESSIONAL SERVICES AGREEMENT

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List of Exhibits

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- Exhibit 2 Minority and Women Owned Business Enterprise Commitment
- Exhibit 3 Evidence of Insurance
- Exhibit 4 Certification for Consulting or Auditing Services
- Exhibit 5 Identification of Subcontractor/Supplier/Subconsultant Form
- Exhibit 6 Electronic Payables Program

Attachment 1 State of Illinois Contract No. CIBADEVA01

AGREEMENT

This Agreement is made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, on behalf of Office of the Chief Procurement Officer hereinafter referred to as "County" and Health Management Systems, Inc., doing business as a Corporation of the State of Illinois of the State of Illinois hereinafter referred to as "Consultant", pursuant to authorization by the Chief Procurement Officer.

BACKGROUND

Whereas, the County, pursuant to Section 34-140 (the "Reference Contract Ordinance") of the Cook County Procurement Code, states: "If a governmental agency has awarded a contract through a competitive method for the same or similar supplies, equipment, goods or services as that sought by the County, the Procurement may be made from that vendor at a price or rate at least as favorable as that obtained by that government agency without utilizing a competitive procurement method set forth in this Procurement Code;" and

Whereas, the State of Illinois solicited a formal Request for Proposals process for Dependent Eligibility Verification Audit, and the Consultant was evaluated as the best value as the services; and

Whereas, the State of Illinois entered into a contract beginning on July 1, 2013 through June 30, 2018 for the provision services by the Consultant relative to Dependent Eligibility Verification Audit, a copy of which is attached hereto as Attachment "1" for reference purposes only, but such attachment is not made part of or incorporated into this Agreement; and

Whereas, the County wishes to leverage the procurement efforts of the State of Illinois; and

Whereas, this Agreement made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, herein after the "County" and Health Management Systems, Inc. herein after the "Consultant"; and

Whereas, the County, through the Department of Risk Management, desires certain similar services of the Consultant; and

Whereas, County Offices, Departments, and Agencies may utilize this agreement for specific contracted procurement efforts; and

Whereas, the Contractor agrees to provide to the Dependent Eligibility Verification Audit, incorporated as Exhibit 1, Scope of Services and Schedule of Compensation; and

Whereas, the Contractor warrants that it is ready, willing and able to deliver these services set forth in Exhibit 1, Scope of Services and Schedule of Compensation, all on pricing and payment terms equivalent to or more favorable to the County than those contained in the State of Illinois Contract No. CIBADEVA01 as set forth in Attachment 1, and incorporated herein by reference; and

Whereas, this Contract shall be effective May 20, 2015 through May 19, 2016 after award by the County and after proper execution of the Contract Documents; and

Whereas, Payment shall be as follows:

In no case shall such charges exceed the amount of **\$145,000.00**. Invoices in triplicate on County Invoice Form 29A shall be submitted by the Contractor to the Using Department when requesting payment. The County shall have the right to examine the books of the Contractor for the purpose of auditing the same with reference to all charges made to the County.

In the event the Contractor receives payment under the Contract, reimbursement for which is later disallowed by the County, the Contractor shall promptly refund the disallowed amount to the County on request, or at the County's option, the County may credit the amount disallowed from the next payment due or to become due to the Contractor under any contract with the County; and

NOW, THEREFORE, the County and Consultant agree as follows:

TERMS AND CONDITIONS

ARTICLE 1) INCORPORATION OF BACKGROUND

The Background information set forth above is incorporated by reference as if fully set forth here.

ARTICLE 2) DEFINITIONS

a) Definitions

The following words and phrases have the following meanings for purposes of this Agreement:

"Additional Services" means those services which are within the general scope of Services of this Agreement, but beyond the description of services required under Article 3, and all services reasonably necessary to complete the Additional Services to the standards of performance required by this Agreement. Any Additional Services requested by the Using Agency require the approval of the Chief Procurement Officer in a written amendment to this Agreement before Consultant is obligated to perform those Additional Services and before the County becomes obligated to pay for those Additional Services.

"**Agreement**" means this Professional Services Agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

"**Chief Procurement Officer**" means the Chief Procurement Officer for the County of Cook and any representative duly authorized in writing to act on his behalf.

"**Services**" means, collectively, the services, duties and responsibilities described in Article 3 of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

"**Subcontractor**" or "**Subconsultant**" means any person or entity with whom Consultant contracts to provide any part of the Services, of any tier, suppliers and materials providers, whether or not in privity with Consultant.

"**Using Agency**" shall mean the department of agency within Cook County including elected officials.

b) Interpretation

- i) The term "**include**" (in all its forms) means "include, without limitation" unless the context clearly states otherwise.
- ii) All references in this Agreement to Articles, Sections or Exhibits, unless otherwise expressed or indicated are to the Articles, Sections or Exhibits of this Agreement.
- iii) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.
- iv) Any headings preceding the text of the Articles and Sections of this Agreement, and any tables of contents or marginal notes appended to it are solely for convenience or reference and do not constitute a part of this Agreement, nor do they affect the meaning, construction or effect of this Agreement.
- v) Words importing the singular include the plural and vice versa. Words of the masculine gender include the correlative words of the feminine and neuter genders.
- vi) All references to a number of days mean calendar days, unless expressly indicated otherwise.

c) **Incorporation of Exhibits**

The following attached Exhibits are made a part of this Agreement:

Exhibit 1	Scope of Services & Schedule of Compensation
Exhibit 2	Minority and Women Owned Business Enterprise Commitment
Exhibit 3	Evidence of Insurance
Exhibit 4	Certification for Consulting or Auditing Services
Exhibit 5	Identification of Subcontractor/Supplier/Subconsultant Form
Exhibit 6	Electronic Payables Program

Attachment 1 State of Illinois Contract No. CIBADEVA01

ARTICLE 3) DUTIES AND RESPONSIBILITIES OF CONSULTANT

a) **Scope of Services**

This description of Services is intended to be general in nature and is neither a complete description of Consultant's Services nor a limitation on the Services that Consultant is to provide under this Agreement. Consultant must provide the Services in accordance with the standards of performance set forth in Section 3c. The Services that Consultant must provide include, but are not limited to, those described in Exhibit 1, Scope of Services and Time Limits for Performance, which is attached to this Agreement and incorporated by reference as if fully set forth here.

b) **Deliverables**

In carrying out its Services, Consultant must prepare or provide to the County various Deliverables. "Deliverables" include work product, such as written reviews, recommendations, reports and analyses, produced by Consultant for the County.

The County may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the County made this Agreement or for which the County intends to use the Deliverables. If the County determines that Consultant has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Consultant of its failure. If Consultant does not correct the failure, if it is possible to do so, within 30 days after receipt of notice from the County specifying the failure, then the County, by written notice, may treat the failure as a default of this Agreement under Article 9.

Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the County. Such Deliverables will not be considered as satisfying the requirements of this

Agreement and partial or incomplete Deliverables in no way relieve Consultant of its commitments under this Agreement.

c) **Standard of Performance**

Consultant must perform all Services required of it under this Agreement with that degree of skill, care and diligence normally shown by a consultant performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. Consultant acknowledges that it is entrusted with or has access to valuable and confidential information and records of the County and with respect to that information, Consultant agrees to be held to the standard of care of a fiduciary.

Consultant must assure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Consultant must provide copies of any such licenses. Consultant remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Consultant or its Subconsultants or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.

If Consultant fails to comply with the foregoing standards, Consultant must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance or payment for any of the Services by the County does not relieve Consultant of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the County's rights against Consultant either under this Agreement, at law or in equity.

d) **Personnel**

i) **Adequate Staffing**

Consultant must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. Consultant must include among its staff the Key Personnel and positions as identified below. The level of staffing may be revised from time to time by notice in writing from Consultant to the County and with written consent of the County, which consent the County will not withhold unreasonably. If the County fails to object to the revision within 14 days after receiving the notice, then the revision will be considered accepted by the County.

ii) **Key Personnel**

Consultant must not reassign or replace Key Personnel without the written consent of the County, which consent the County will not unreasonably withhold. "**Key Personnel**" means those job titles and the persons assigned to those positions in accordance with the provisions of this Section 3.d(ii). The Using Agency may at any time in writing notify Consultant that the County will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Consultant must immediately suspend the services of the key person or persons and must replace him or them in accordance with the terms of this Agreement. A list of Key Personnel is found in Exhibit 1, Scope of Services.

iii) **Salaries and Wages**

Consultant and Subconsultants must pay all salaries and wages due all employees performing Services under this Agreement unconditionally and at least once a month without deduction or rebate on any account, except only for those payroll deductions that are mandatory by law or are permitted under applicable law and regulations. If in the performance of this Agreement Consultant underpays any such salaries or wages, the Comptroller for the County may withhold, out of payments due to Consultant, an amount sufficient to pay to employees underpaid the difference between the salaries or wages required to be paid under this Agreement and the salaries or wages actually paid these employees for the total number of hours worked. The amounts withheld may be disbursed by the Comptroller for and on account of Consultant to the respective employees to whom they are due. The parties acknowledge that this Section 3.d(iii) is solely for the benefit of the County and that it does not grant any third party beneficiary rights.

e) **Minority and Owned Women's Business Enterprises Commitment**

In the performance of this Agreement, including the procurement and lease of materials or equipment, Consultant must abide by the minority and women's business enterprise commitment requirements of the Cook County Ordinance, (Article IV, Section 34-267 through 272) except to the extent waived by the Compliance Director, which are set forth in Exhibit 3. Consultant's completed MBE/WBE Utilization Plan evidencing its compliance with this requirement are a part of this Agreement, in Form 1 of the MBE/WBE Utilization Plan, upon acceptance by the Compliance Director. Consultant must utilize minority and women's business enterprises at the greater of the amounts committed to by the Consultant for this Agreement in accordance with Form 1 of the MBE/WBE Utilization Plan.

f) **Insurance**

Consultant must provide and maintain at Consultant's own expense, during the term of this Agreement and any time period following expiration if Consultant is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverages and requirements specified below, insuring all operations related to this Agreement.

i) **Insurance To Be Provided**

(a) **Workers Compensation Insurance**

Workers' Compensation shall be in accordance with the laws of the State of Illinois or any other applicable jurisdiction.

The Workers Compensation policy shall also include the following provisions:

- (1) Employers' Liability coverage with a limit of
 - \$500,000 each Accident
 - \$500,000 each Employee
 - \$500,000 Policy Limit for Disease

(b) **Commercial General Liability Insurance**

The Commercial General Liability shall be on an occurrence form basis (ISO Form CG 0001 or equivalent) to cover bodily injury, personal injury and property damage.

Each Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000
Completed Operations Aggregate	\$ 2,000,000

The General Liability policy shall include the following coverages:

- (a) All premises and operations;
- (b) Contractual Liability;
- (c) Products/Completed Operations;
- (d) Severability of interest/separation of insureds clause

(c) **Commercial Automobile Liability Insurance**

When any vehicles are used in the performance of this contract, Contractor shall secure Automobile Liability Insurance for bodily injury and property damage arising from the Ownership, maintenance or use of owned, hired and non-owned vehicles with a limit no less than \$1,000,000 per accident.

(d) **Excess Liability**

Such policy shall be excess over Commercial General Liability, Automobile Liability, and Employer's Liability with limits not less than the following amounts:

Each Occurrence: \$1,000,000

ii) **Additional Requirements**

(a) **Additional Insured**

The required insurance policies, with the exception of the Workers Compensation and Professional Liability, shall name Cook County, its officials, employees and agents as additional insureds with respect to operations performed. Contractor's insurance shall be primary and non-contributory with any insurance maintained by Cook County. Any insurance or self-insurance maintained by Cook County shall be excess of the Contractor's insurance and shall not contribute with it. The full policy limits and scope of protection shall apply to Cook County as an additional insured even if they exceed the minimum insurance limits specified above

(b) **Qualification of Insurers**

All insurance companies providing coverage shall be licensed or approved by the Department of Insurance, State of Illinois, and shall have a financial rating no lower than (A-) VII as listed in A.M. Best's Key Rating Guide, current edition or interim report. Companies with ratings lower than (A-) VII will be acceptable only upon consent of the Cook County Department of Risk Management. The insurance limits required herein may be satisfied by a combination of primary, umbrella and/or excess liability insurance policies.

(c) **Insurance Notices**

Contractor shall provide the Office of the Chief Procurement Officer with thirty (30) days advance written notice in the event any required insurance will be cancelled, materially reduced or non-renewed. Contractor shall secure replacement coverage to comply with the stated insurance requirements and provide new certificates of insurance to the Office of the Chief Procurement Officer.

Prior to the date on which Contractor commences performance of its part of the work, Contractor shall furnish to the Office of the Chief Procurement Officer certificates of insurance maintained by Contractor. The receipt of any certificate of insurance does not constitute agreement by the County that the insurance requirements have been fully met or that the insurance policies indicated on the certificate of insurance are in compliance with insurance required above.

In no event shall any failure of the County to receive certificates of insurance required hereof or to demand receipt of such Certificates of Insurance be construed as a waiver of Contractor's obligations to obtain insurance pursuant to these insurance requirements.

(d) **Waiver of Subrogation Endorsements**

All insurance policies must contain a Waiver of Subrogation Endorsement in favor of Cook County.

g) **Indemnification**

The Consultant covenants and agrees to indemnify and save harmless the County and its commissioners, officials, employees, agents and representatives, and their respective heirs, successors and assigns, from and against any and all costs, expenses, attorney's fees, losses, damages and liabilities incurred or suffered directly or indirectly from or attributable to any claims arising out of or incident to the performance or nonperformance of the Contract by the Consultant, or the acts or omissions of the officers, agents, employees, Consultants, subconsultants, licensees or invitees of the Consultant. The Consultant expressly understands and agrees that any Performance Bond or insurance protection required of the Consultant, or otherwise provided by the Consultant, shall in no way limit the responsibility to indemnify the County as hereinabove provided.

h) Confidentiality and Ownership of Documents

Consultant acknowledges and agrees that information regarding this Contract is confidential and shall not be disclosed, directly, indirectly or by implication, or be used by Consultant in any way, whether during the term of this Contract or at any time thereafter, except solely as required in the course of Consultant's performance hereunder. Consultant shall comply with the applicable privacy laws and regulations affecting County and will not disclose any of County's records, materials, or other data to any third party. Consultant shall not have the right to compile and distribute statistical analyses and reports utilizing data derived from information or data obtained from County without the prior written approval of County. In the event such approval is given, any such reports published and distributed by Consultant shall be furnished to County without charge.

All documents, data, studies, reports, work product or product created as a result of the performance of the Contract (the "Documents") shall be included in the Deliverables and shall be the property of the County of Cook. It shall be a breach of this Contract for the Consultant to reproduce or use any documents, data, studies, reports, work product or product obtained from the County of Cook or any Documents created hereby, whether such reproduction or use is for Consultant's own purposes or for those of any third party. During the performance of the Contract Consultant shall be responsible of any loss or damage to the Documents while they are in Consultant's possession, and any such loss or damage shall be restored at the expense of the Consultant. The County and its designees shall be afforded full access to the Documents and the work at all times.

i) Patents, Copyrights and Licenses

If applicable, Consultant shall furnish the Chief Procurement Officer with all licenses required for the County to utilize any software, including firmware or middleware, provided by Consultant as part of the Deliverables. Such licenses shall be clearly marked with a reference to the number of this County Contract. Consultant shall also furnish a copy of such licenses to the Chief Procurement Officer. Unless otherwise stated in these Contract documents, such licenses shall be perpetual and shall not limit the number of persons who may utilize the software on behalf of the County.

Consultant agrees to hold harmless and indemnify the County, its officers, agents, employees and affiliates from and defend, as permitted by Illinois law, at its own expense (including reasonable attorneys', accountants' and consultants' fees), any suit or proceeding brought against County based upon a claim that the ownership and/or use of equipment, hardware and software or any part thereof provided to the County or utilized in performing Consultant's services constitutes an infringement of any patent, copyright or license or any other property right.

In the event the use of any equipment, hardware or software or any part thereof is enjoined, Consultant with all reasonable speed and due diligence shall provide or otherwise secure for County, at the Consultant's election, one of the following: the right to continue use of the equipment, hardware or software; an equivalent system having the Specifications as provided in this Contract; or Consultant shall modify the system or its component parts so that they become non-infringing while performing in a substantially similar manner to the original system, meeting the requirements of this Contract.

j) Examination of Records and Audits

The Consultant agrees that the Cook County Auditor or any of its duly authorized representatives shall, until expiration of three (3) years after the final payment under the Contract, have access and the right to examine any books, documents, papers, canceled checks, bank statements, purveyor's and other invoices, and records of the Consultant related to the Contract, or to Consultant's compliance with any term, condition or provision thereof. The Consultant shall be responsible for establishing and maintaining records sufficient to document the costs associated with performance under the terms of this Contract.

The Consultant further agrees that it shall include in all of its subcontracts hereunder a provision to the effect that the Subcontractor agrees that the Cook County Auditor or any of its duly authorized representatives shall, until expiration of three (3) years after final payment under the subcontract, have access and the right to examine any books, documents, papers, canceled checks, bank statements, purveyor's and other invoices and records of such Subcontractor involving transactions relating to the subcontract, or to such Subcontractor compliance with any term, condition or provision thereunder or under the Contract.

In the event the Consultant receives payment under the Contract, reimbursement for which is later disallowed by the County, the Consultant shall promptly refund the disallowed amount to the County on request, or at the County's option, the County may credit the amount disallowed from the next payment due or to become due to the Consultant under any contract with the County.

To the extent this Contract pertains to Deliverables which may be reimbursable under the Medicaid or Medicare Programs, Consultant shall retain and make available upon request, for a period of four (4) years after furnishing services pursuant to this Agreement, the contract, books, documents and records which are necessary to certify the nature and extent of the costs of such services if requested by the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives.

If Consultant carries out any of its duties under the Agreement through a subcontract with a related organization involving a value of cost of \$10,000.00 or more over a 12 month period, Consultant will cause such subcontract to contain a clause to the effect that, until the expiration of four years after the furnishing of any service pursuant to said subcontract, the related organization will make available upon request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, copies of said subcontract and any books, documents, records and other data of said related organization that are necessary to certify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v)(1)(I) of the Social Security Act to this Agreement; if this Section should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

k) Subcontracting or Assignment of Contract or Contract Funds

Once awarded, this Contract shall not be subcontracted or assigned, in whole or in part, without the advance written approval of the Chief Procurement Officer, which approval shall be granted or withheld at the sole discretion of the Chief Procurement Officer. In no case, however, shall such approval relieve the Consultant from its obligations or change the terms of the Contract. The Consultant shall not transfer or assign any Contract funds or any interest therein due or to become due without the advance written approval of the Chief Procurement Officer. The unauthorized subcontracting or assignment of the Contract, in whole or in part, or the unauthorized transfer or assignment of any Contract funds, either in whole or in part, or any interest therein, which shall be due or are to become due the Consultant shall have no effect on the County and are null and void.

Prior to the commencement of the Contract, the Consultant shall identify in writing to the Chief Procurement Officer the names of any and all Subcontractors it intends to use in the performance of the Contract by completing the Identification of Subcontractor/Supplier/Subconsultant Form ("ISF"). The Chief Procurement Officer shall have the right to disapprove any Subcontractor. All Subcontractors shall be subject to the terms of this Contract. Consultant shall incorporate into all subcontracts all of the provisions of the Contract which affect such subcontract. Copies of subcontracts shall be provided to the Chief Procurement Officer upon request.

The Consultant must disclose the name and business address of each Subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Consultant has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Consultant is not required to disclose employees who are paid or estimated to be paid. The Consultant is not required to disclose employees who are paid solely through the Consultant's regular payroll. "Lobbyist" means any person or entity who undertakes to influence any legislation or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2), himself.

"Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action. If the Consultant is uncertain whether a disclosure is required under this Section, the Consultant must either ask the County, whether disclosure is required or make the disclosure.

The County reserves the right to prohibit any person from entering any County facility for any reason. All Consultants and Subcontractor of the Consultant shall be accountable to the Chief Procurement Officer or his designee while on any County property and shall abide by all rules and regulations imposed by the County.

D) Professional Social Services

In accordance with 34-146, of the Cook County Procurement Code, all Consultants or providers providing services under a Professional Social Service Contracts or Professional Social Services Agreements, shall submit an annual performance report to the Using Agency, i.e., the agency for whom the Consultant or provider is providing the professional social services, that includes but is not limited to relevant statistics, an empirical analysis where applicable, and a written narrative describing the goals and objectives of the contract or agreement and programmatic outcomes. The annual performance report shall be provided and reported to the Cook County Board of Commissioners by the applicable Using Agency within forty-five days of receipt. Failure of the Consultant or provider to provide an annual performance report will be considered a breach of contract or agreement by the Consultant or provider, and may result in termination of the Contract or agreement.

For purposes of this Section, a Professional Social Service Contract or Professional Social Service Agreement shall mean any contract or agreement with a social service provider, including other governmental agencies, nonprofit organizations, or for profit business enterprises engaged in the field of and providing social services, juvenile justice, mental health treatment, alternative sentencing, offender rehabilitation, recidivism reduction, foster care, substance abuse treatment, domestic violence services, community transitioning services, intervention, or such other similar services which provide mental, social or physical treatment and services to individuals. Said Professional Social Service Contracts or Professional Social Service Agreements do not include CCHHS managed care contracts that CCHHS may enter into with health care providers.

ARTICLE 4) TERM OF PERFORMANCE

a) Term of Performance

This Agreement takes effect when approved by the Chief Procurement Officer and its term shall begin on May 20, 2015 ("Effective Date") and continue until May 19, 2016 or until this Agreement is terminated in accordance with its terms, whichever occurs first.

b) Timeliness of Performance

- i) Consultant must provide the Services and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Section 4.a and Exhibit 1. Further, Consultant acknowledges that TIME IS OF THE ESSENCE and that the failure of Consultant to comply with the time limits described in this Section 4.b may result in economic or other losses to the County.
- ii) Neither Consultant nor Consultant's agents, employees nor Subcontractors are entitled to any damages from the County, nor is any party entitled to be reimbursed by the County, for damages, charges or other losses or expenses incurred by Consultant by reason of delays or hindrances in the performance of the Services, whether or not caused by the County.

c) Agreement Extension Option

The Chief Procurement Officer may at any time before this Agreement expires elect to extend this Agreement for up to one (1) additional one-year period under the same terms and conditions as this original Agreement, except as provided otherwise in this Agreement, by notice in writing to Consultant. After notification by the Chief Procurement Officer, this Agreement must be modified to reflect the time extension in accordance with the provisions of Section 10.c.

ARTICLE 5) COMPENSATION

a) Basis of Payment

The County will pay Consultant according to the Schedule of Compensation in the attached Exhibit 2 for the successful completion of services.

b) Method of Payment

All invoices submitted by the Consultant shall be in accordance with the cost provisions contained in the Agreement and shall contain a detailed description of the Deliverables, including the quantity of the Deliverables, for which payment is requested. All invoices for services shall include itemized entries indicating the date or time period in which the services were provided, the amount of time spent performing the services, and a detailed description of the services provided during the period of the invoice. All invoices shall reflect the amounts invoiced by and the amounts paid to the Consultant as of the date of the invoice. Invoices for new charges shall not include "past due" amounts, if any, which amounts must be set forth on a separate invoice. Consultant shall not be entitled to invoice the County for any late fees or other penalties.

In accordance with Section 34-177 of the Cook County Procurement Code, the County shall have a right to set off and subtract from any invoice(s) or Contract price, a sum equal to any fines and penalties, including interest, for any tax or fee delinquency and any debt or obligation owed by the Consultant to the County.

The Consultant acknowledges its duty to ensure the accuracy of all invoices submitted to the County for payment. By submitting the invoices, the Consultant certifies that all itemized entries set forth in the invoices are true and correct. The Consultant acknowledges that by submitting the invoices, it certifies that it has delivered the Deliverables, i.e., the goods, supplies, services or equipment set forth in the Agreement to the Using Agency, or that it has properly performed the services set forth in the Agreement. The invoice must also reflect the dates and amount of time expended in the provision of services under the Agreement. The Consultant acknowledges that any inaccurate statements or negligent or intentional misrepresentations in the invoices shall result in the County exercising all remedies available to it in law and equity including, but not limited to, a delay in payment or non-payment to the Consultant, and reporting the matter to the Cook County Office of the Independent Inspector General.

When a Consultant receives any payment from the County for any supplies, equipment, goods, or services, it has provided to the County pursuant to its Agreement, the Consultant must make payment to its Subcontractors within 15 days after receipt of payment from the County, provided that such Subcontractor has satisfactorily provided the supplies, equipment, goods or services in accordance with the Contract and provided the Consultant with all of the documents and information required of the Consultant. The Consultant may delay or postpone payment to a Subcontractor when the Subcontractor's supplies, equipment, goods, or services do not comply with the requirements of the Contract, the Consultant is acting in good faith, and not in retaliation for a Subcontractor exercising legal or contractual rights.

c) Funding

The source of funds for payments under this Agreement is identified in Exhibit 2, Schedule of Compensation. Payments under this Agreement must not exceed the dollar amount shown in Exhibit 2 without a written amendment in accordance with Section 10.c.

d) Non-Appropriation

If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the County for payments to be made under this Agreement, then the County will notify Consultant in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Payments for Services completed to the date of notification will be made to Consultant. No payments will be made or due to Consultant and under this Agreement beyond those amounts appropriated and budgeted by the County to fund payments under this Agreement.

e) **Taxes**

Federal Excise Tax does not apply to materials purchased by the County by virtue of Exemption Certificate No. 36-75-0038K. Illinois Retailers' Occupation Tax, Use Tax and Municipal Retailers' Occupation Tax do not apply to deliverables, materials or services purchased by the County by virtue of statute. The price or prices quoted herein shall include any and all other federal and/or state, direct and/or indirect taxes which apply to this Contract. The County's State of Illinois Sales Tax Exemption Identification No. is E-9998-2013-07.

f) **Price Reduction**

If at any time after the contract award, Consultant makes a general price reduction in the price of any of the Deliverables, the equivalent price reduction based on similar quantities and/or considerations shall apply to this Contract for the duration of the Contract period. For purposes of this Section 5.f., Price Reduction, a general price reduction shall include reductions in the effective price charged by Consultant by reason of rebates, financial incentives, discounts, value points or other benefits with respect to the purchase of the Deliverables. Such price reductions shall be effective at the same time and in the same manner as the reduction Consultant makes in the price of the Deliverables to its prospective customers generally.

g) **Consultant Credits**

To the extent the Consultant gives credits toward future purchases of goods or services, financial incentives, discounts, value points or other benefits based on the purchase of the materials or services provided for under this Contract, such credits belong to the County and not any specific Using Agency. Consultant shall reflect any such credits on its invoices and in the amounts it invoices the County.

ARTICLE 6) DISPUTES

Any dispute arising under the Contract between the County and Consultant shall be decided by the Chief Procurement Officer. The complaining party shall submit a written statement detailing the dispute and specifying the specific relevant Contract provision(s) to the Chief Procurement Officer. Upon request of the Chief Procurement Officer, the party complained against shall respond to the complaint in writing within five days of such request. The Chief Procurement Officer will reduce her decision to writing and mail or otherwise furnish a copy thereof to the Consultant. The decision of the Chief Procurement Officer will be final and binding. Dispute resolution as provided herein shall be a condition precedent to any other action at law or in equity. However, unless a notice is issued by the Chief Procurement Officer indicating that additional time is required to review a dispute, the parties may exercise their contractual remedies, if any, if no decision is made within sixty (60) days following notification to the Chief Procurement Officer of a dispute. No inference shall be drawn from the absence of a decision by the Chief Procurement Officer.

Notwithstanding a dispute, Consultant shall continue to discharge all its obligations, duties and responsibilities set forth in the Contract during any dispute resolution proceeding unless otherwise agreed to by the County in writing.

ARTICLE 7) COOPERATION WITH INSPECTOR GENERAL AND COMPLIANCE WITH ALL LAWS

The Consultant, Subcontractor, licensees, grantees or persons or businesses who have a County contract, grant, license, or certification of eligibility for County contracts shall abide by all of the applicable provisions of the Office of the Independent Inspector General Ordinance (Section 2-281 et. seq. of the Cook County Code of Ordinances). Failure to cooperate as required may result in monetary and/or other penalties.

The Consultant shall observe and comply with the laws, ordinances, regulations and codes of the Federal, State, County and other local government agencies which may in any manner affect the performance of the Contract including, but not limited to, those County Ordinances set forth in the Certifications attached hereto and incorporated herein. Assurance of compliance with this requirement by the Consultant's employees, agents or Subcontractor shall be the responsibility of the Consultant.

The Consultant shall secure and pay for all federal, state and local licenses, permits and fees required hereunder.

ARTICLE 8) SPECIAL CONDITIONS

a) Warranties and Representations

In connection with signing and carrying out this Agreement, Consultant:

- i) warrants that Consultant is appropriately licensed under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license is required by law and for which Consultant is not appropriately licensed;
- ii) warrants it is financially solvent; it and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Agreement; and Consultant is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;
- iii) warrants that it will not knowingly use the services of any ineligible consultant or Subcontractor for any purpose in the performance of its Services under this Agreement;

- iv) warrants that Consultant and its Subcontractors are not in default at the time this Agreement is signed, and has not been considered by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the County;
- v) represents that it has carefully examined and analyzed the provisions and requirements of this Agreement; it understands the nature of the Services required; from its own analysis it has satisfied itself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and Consultant warrants it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;
- vi) represents that Consultant and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of the Illinois Criminal Code, 720 ILCS 5/33E as amended; and
- vii) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 9.a and 9.c.

b) Ethics

- i) In addition to the foregoing warranties and representations, Consultant warrants:
 - (1) no officer, agent or employee of the County is employed by Consultant or has a financial interest directly or indirectly in this Agreement or the compensation to be paid under this Agreement except as may be permitted in writing by the Board of Ethics.
 - (2) no payment, gratuity or offer of employment will be made in connection with this Agreement by or on behalf of any Subcontractors to the prime Consultant or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

c) Joint and Several Liability

If Consultant, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination of them), then under this Agreement, each and without limitation every obligation or undertaking in this Agreement to be fulfilled or performed by Consultant is the joint and several obligation or undertaking of each such individual or other legal entity.

d) **Business Documents**

At the request of the County, Consultant must provide copies of its latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable.

e) **Conflicts of Interest**

- i) No member of the governing body of the County or other unit of government and no other officer, employee or agent of the County or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains is permitted to have any personal interest, direct or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no Commissioner of the Cook County Board or County employee is allowed to be admitted to any share or part of this Agreement or to any financial benefit to arise from it.
- ii) Consultant covenants that it, and to the best of its knowledge, its Subcontractors if any (collectively, "**Consulting Parties**"), presently have no direct or indirect interest and will not acquire any interest, direct or indirect, in any project or contract that would conflict in any manner or degree with the performance of its Services under this Agreement.
- iii) Upon the request of the County, Consultant must disclose to the County its past client list and the names of any clients with whom it has an ongoing relationship. Consultant is not permitted to perform any Services for the County on applications or other documents submitted to the County by any of Consultant's past or present clients. If Consultant becomes aware of a conflict, it must immediately stop work on the assignment causing the conflict and notify the County.
- iv) Without limiting the foregoing, if the Consulting Parties assist the County in determining the advisability or feasibility of a project or in recommending, researching, preparing, drafting or issuing a request for proposals or bid specifications for a project, the Consulting Parties must not participate, directly or indirectly, as a prime, Subcontractor or joint venturer in that project or in the preparation of a proposal or bid for that project during the term of this Agreement or afterwards. The Consulting Parties may, however, assist the County in reviewing the proposals or bids for the project if none of the Consulting Parties have a relationship with the persons or entities that submitted the proposals or bids for that project.

- v) The Consultant further covenants that, in the performance of this Agreement, no person having any conflicting interest will be assigned to perform any Services or have access to any confidential information, as defined in Section 3.h of this Agreement. If the County, by the Chief Procurement Officer in his reasonable judgment, determines that any of Consultant's Services for others conflict with the Services Consultant is to render for the County under this Agreement, Consultant must terminate such other services immediately upon request of the County.
- vi) Furthermore, if any federal funds are to be used to compensate or reimburse Consultant under this Agreement, Consultant represents that it is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal year 1990, 31 U.S.C. § 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended. If federal funds are to be used, Consultant must execute a Certification Regarding Lobbying, which will be attached as an exhibit and incorporated by reference as if fully set forth here.

f) Non-Liability of Public Officials

Consultant and any assignee or Subcontractor of Consultant must not charge any official, employee or agent of the County personally with any liability or expenses of defense or hold any official, employee or agent of the County personally liable to them under any term or provision of this Agreement or because of the County's execution, attempted execution or any breach of this Agreement.

ARTICLE 9) EVENTS OF DEFAULT, REMEDIES, TERMINATION, SUSPENSION AND RIGHT TO OFFSET

a) Events of Default Defined

The following constitute events of default:

- i) Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Consultant to the County.
- ii) Consultant's material failure to perform any of its obligations under this Agreement including the following:
 - (a) Failure due to a reason or circumstances within Consultant's reasonable control to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the performance of the Services;

- (b) Failure to perform the Services in a manner reasonably satisfactory to the Chief Procurement Officer or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
 - (c) Failure to promptly re-perform within a reasonable time Services that were rejected as erroneous or unsatisfactory;
 - (d) Discontinuance of the Services for reasons within Consultant's reasonable control; and
 - (e) Failure to comply with any other material term of this Agreement, including the provisions concerning insurance and nondiscrimination.
- iii) Any change in ownership or control of Consultant without the prior written approval of the Chief Procurement Officer, which approval the Chief Procurement Officer will not unreasonably withhold.
 - iv) Consultant's default under any other agreement it may presently have or may enter into with the County during the life of this Agreement. Consultant acknowledges and agrees that in the event of a default under this Agreement the County may also declare a default under any such other Agreements.
 - v) Failure to comply with Article 7 in the performance of the Agreement.
 - vi) Consultant's repeated or continued violations of County ordinances unrelated to performance under the Agreement that in the opinion of the Chief Procurement Officer indicate a willful or reckless disregard for County laws and regulations.

b) Remedies

The occurrence of any event of default permits the County, at the County's sole option, to declare Consultant in default. The Chief Procurement Officer may in his sole discretion give Consultant an opportunity to cure the default within a certain period of time, which period of time must not exceed 30 days, unless extended by the Chief Procurement Officer. Whether to declare Consultant in default is within the sole discretion of the Chief Procurement Officer and neither that decision nor the factual basis for it is subject to review or challenge under the Disputes provision of this Agreement.

The Chief Procurement Officer will give Consultant written notice of the default, either in the form of a cure notice ("Cure Notice"), or, if no opportunity to cure will be granted, a default notice ("Default Notice"). If the Chief Procurement Officer gives a Default Notice, he will also indicate any present intent he may have to terminate this Agreement, and the decision to terminate (but not the decision not to terminate) is final and effective upon giving the notice. The Chief Procurement Officer may give a Default Notice if Consultant fails to affect a cure within the cure period given in a Cure Notice. When a Default Notice with intent to terminate is given as provided in this Section 9.b and Article 11, Consultant must discontinue any Services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process, to the County. After giving a Default Notice, the County may invoke any or all of the following remedies:

- i) The right to take over and complete the Services, or any part of them, at Consultant's expense and as agent for Consultant, either directly or through others, and bill Consultant for the cost of the Services, and Consultant must pay the difference between the total amount of this bill and the amount the County would have paid Consultant under the terms and conditions of this Agreement for the Services that were assumed by the County as agent for the Consultant under this Section 9.b;
- ii) The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the County;
- iii) The right of specific performance, an injunction or any other appropriate equitable remedy;
- iv) The right to money damages;
- v) The right to withhold all or any part of Consultant's compensation under this Agreement;
- vi) The right to consider Consultant non-responsible in future contracts to be awarded by the County.

If the Chief Procurement Officer considers it to be in the County's best interests, he may elect not to declare default or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the County and that if the County permits Consultant to continue to provide the Services despite one or more events of default, Consultant is in no way relieved of any of its responsibilities, duties or obligations under this Agreement, nor does the County waive or relinquish any of its rights.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy is cumulative and is in addition to any other remedies, existing now or later, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any event of default impairs any such right or power, nor is it a waiver of any event of default nor acquiescence in it, and every such right and power may be exercised from time to time and as often as the County considers expedient.

c) Early Termination

In addition to termination under Sections 9.a and 9.b of this Agreement, the County may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by a notice in writing from the County to Consultant. The County will give notice to Consultant in accordance with the provisions of Article 11. The effective date of termination will be the date the notice is received by Consultant or the date stated in the notice, whichever is later. If the County elects to terminate this Agreement in full, all Services to be provided under it must cease and all materials that may have been accumulated in performing this Agreement, whether completed or in the process, must be delivered to the County effective 10 days after the date the notice is considered received as provided under Article 11 of this Agreement (if no date is given) or upon the effective date stated in the notice.

After the notice is received, Consultant must restrict its activities, and those of its Subcontractors, to winding down any reports, analyses, or other activities previously begun. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination is on the same basis as set forth in Article 5, but if any compensation is described or provided for on the basis of a period longer than 10 days, then the compensation must be prorated accordingly. No amount of compensation, however, is permitted for anticipated profits on unperformed Services. The County and Consultant must attempt to agree on the amount of compensation to be paid to Consultant, but if not agreed on, the dispute must be settled in accordance with Article 6 of this Agreement. The payment so made to Consultant is in full settlement for all Services satisfactorily performed under this Agreement.

Consultant must include in its contracts with Subcontractors an early termination provision in form and substance equivalent to this early termination provision to prevent claims against the County arising from termination of subcontracts after the early termination. Consultant will not be entitled to make any early termination claims against the County resulting from any Subcontractor's claims against Consultant or the County to the extent inconsistent with this provision.

If the County's election to terminate this Agreement for default under Sections 9.a and 9.b is determined in a court of competent jurisdiction to have been wrongful, then in that case the termination is to be considered to be an early termination under this Section 9.c.

d) Suspension

The County may at any time request that Consultant suspend its Services, or any part of them, by giving 15 days prior written notice to Consultant or upon informal oral, or even no notice, in the event of emergency. No costs incurred after the effective date of such suspension are allowed. Consultant must promptly resume its performance of the Services under the same terms and conditions as stated in this Agreement upon written notice by the Chief Procurement Officer and such equitable extension of time as may be mutually agreed upon by the Chief Procurement Officer and Consultant when necessary for continuation or completion of Services. Any additional costs or expenses actually incurred by Consultant as a result of recommencing the Services must be treated in accordance with the compensation provisions under Article 5 of this Agreement.

No suspension of this Agreement is permitted in the aggregate to exceed a period of 45 days within any one year of this Agreement. If the total number of days of suspension exceeds 45 days, Consultant by written notice may treat the suspension as an early termination of this Agreement under Section 9.c.

e) Right to Offset

In connection with performance under this Agreement, the County may offset any excess costs incurred:

- i) if the County terminates this Agreement for default or any other reason resulting from Consultant's performance or non-performance;
- ii) if the County exercises any of its remedies under Section 9.b of this Agreement;
or
- iii) if the County has any credits due or has made any overpayments under this Agreement.

The County may offset these excess costs by use of any payment due for Services completed before the County terminated this Agreement or before the County exercised any remedies. If the amount offset is insufficient to cover those excess costs, Consultant is liable for and must promptly remit to the County the balance upon written demand for it. This right to offset is in addition to and not a limitation of any other remedies available to the County.

f) Delays

Consultant agrees that no charges or claims for damages shall be made by Consultant for any delays or hindrances from any cause whatsoever during the progress of any portion of this Contract.

g) Prepaid Fees

In the event this Contract is terminated by either party, for cause or otherwise, and the County has prepaid for any Deliverables, Consultant shall refund to the County, on a prorated basis to the effective date of termination, all amounts prepaid for Deliverables not actually provided as of the effective date of the termination. The refund shall be made within fourteen (14) days of the effective date of termination.

ARTICLE 10) GENERAL CONDITIONS

a) Entire Agreement

i) General

This Agreement, and the exhibits attached to it and incorporated in it, constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises or interpretations are implied or impressed upon this Agreement that are not expressly addressed in this Agreement.

ii) No Collateral Agreements

Consultant acknowledges that, except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached to it and incorporated by reference in it, no representation, statement or promise, oral or in writing, of any kind whatsoever, by the County, its officials, agents or employees, has induced Consultant to enter into this Agreement or has been relied upon by Consultant, including any with reference to:

- (a) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement;
- (b) the nature of the Services to be performed;
- (c) the nature, quantity, quality or volume of any materials, equipment, labor and other facilities needed for the performance of this Agreement;
- (d) the general conditions which may in any way affect this Agreement or its performance;
- (e) the compensation provisions of this Agreement; or
- (f) any other matters, whether similar to or different from those referred to in (a) through (e) immediately above, affecting or having any connection with this Agreement, its negotiation, any discussions of its performance or those employed or connected or concerned with it.

iii) **No Omissions**

Consultant acknowledges that Consultant was given an opportunity to review all documents forming this Agreement before signing this Agreement in order that it might request inclusion in this Agreement of any statement, representation, promise or provision that it desired or on that it wished to place reliance. Consultant did so review those documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, Consultant relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Agreement in its entirety without claiming reliance on it or making any other claim on account of its omission.

b) **Counterparts**

This Agreement is comprised of several identical counterparts, each to be fully signed by the parties and each to be considered an original having identical legal effect.

c) **Contract Amendments**

The parties may during the term of the Contract make amendments to the Contract but only as provided in this section. Such amendments shall only be made by mutual agreement in writing.

In the case of Contracts not approved by the Board, the Chief Procurement Officer may amend a contract provided that any such amendment does not extend the Contract by more than one (1) year, and further provided that the total cost of all such amendments does not increase the total amount of the Contract beyond \$150,000. Such action may only be made with the advance written approval of the Chief Procurement Officer. If the amendment extends the Contract beyond one (1) year or increases the total award amount beyond \$150,000, then Board approval will be required.

No Using Agency or employee thereof has authority to make any amendments to this Contract. Any amendments to this Contract made without the express written approval of the Chief Procurement Officer is void and unenforceable.

Consultant is hereby notified that, except for amendments which are made in accordance with this Section 10.c. Contract Amendments, no Using Agency or employee thereof has authority to make any amendment to this Contract.

d) Governing Law and Jurisdiction

This Contract shall be governed by and construed under the laws of the State of Illinois. The Consultant irrevocably agrees that, subject to the County's sole and absolute election to the contrary, any action or proceeding in any way, manner or respect arising out of the Contract, or arising from any dispute or controversy arising in connection with or related to the Contract, shall be litigated only in courts within the Circuit Court of Cook County, State of Illinois, and the Consultant consents and submits to the jurisdiction thereof. In accordance with these provisions, Consultant waives any right it may have to transfer or change the venue of any litigation brought against it by the County pursuant to this Contract.

e) Severability

If any provision of this Agreement is held or considered to be or is in fact invalid, illegal, inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions of this Agreement or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, those circumstances do not have the effect of rendering the provision in question invalid, illegal, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions in this Agreement invalid, illegal, inoperative or unenforceable to any extent whatsoever. The invalidity, illegality, inoperativeness or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement does not affect the remaining portions of this Agreement or any part of it.

f) Assigns

All of the terms and conditions of this Agreement are binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns.

g) Cooperation

Consultant must at all times cooperate fully with the County and act in the County's best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, Consultant must make every effort to assure an orderly transition to another provider of the Services, if any, orderly demobilization of its own operations in connection with the Services, uninterrupted provision of Services during any transition period and must otherwise comply with the reasonable requests and requirements of the Using Agency in connection with the termination or expiration.

h) Waiver

Nothing in this Agreement authorizes the waiver of a requirement or condition contrary to law or ordinance or that would result in or promote the violation of any federal, state or local law or ordinance.

Whenever under this Agreement the County by a proper authority waives Consultant's performance in any respect or waives a requirement or condition to either the County's or Consultant's performance, the waiver so granted, whether express or implied, only applies to the particular instance and is not a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver is a modification of this Agreement regardless of the number of times the County may have waived the performance, requirement or condition. Such waivers must be provided to Consultant in writing.

i) Independent Consultant

This Agreement is not intended to and will not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between Consultant and the County. The rights and the obligations of the parties are only those expressly set forth in this Agreement. Consultant must perform under this Agreement as an independent Consultant and not as a representative, employee, agent, or partner of the County.

This Agreement is between the County and an independent Consultant and, if Consultant is an individual, nothing provided for under this Agreement constitutes or implies an employer-employee relationship such that:

- i) The County will not be liable under or by reason of this Agreement for the payment of any compensation award or damages in connection with the Consultant performing the Services required under this Agreement.
- ii) Consultant is not entitled to membership in the County Pension Fund, Group Medical Insurance Program, Group Dental Program, Group Vision Care, Group Life Insurance Program, Deferred Income Program, vacation, sick leave, extended sick leave, or any other benefits ordinarily provided to individuals employed and paid through the regular payrolls of the County.
- iv) The County is not required to deduct or withhold any taxes, FICA or other deductions from any compensation provided to the Consultant.

j) Governmental Joint Purchasing Agreement

Pursuant to Section 4 of the Illinois Governmental Joint Purchasing Act (30 ILCS 525) and the Joint Purchase Agreement approved by the Cook County Board of Commissioners (April 9, 1965), other units of government may purchase goods or services under this contract.

In the event that other agencies participate in a joint procurement, the County reserves the right to renegotiate the price to accommodate the larger volume.

k) Comparable Government Procurement

As permitted by the County of Cook, other government entities, if authorized by law, may wish to purchase the goods, supplies, services or equipment under the same terms and conditions contained in this Contract (i.e., comparable government procurement). Each entity wishing to reference this Contract must have prior authorization from the County of Cook and the Consultant. If such participation is authorized, all purchase orders will be issued directly from and shipped directly to the entity requiring the goods, supplies, equipment or services supplies/services. The County shall not be held responsible for any orders placed, deliveries made or payment for the goods, supplies, equipment or services supplies/services ordered by these entities. Each entity reserves the right to determine the amount of goods, supplies, equipment or services it wishes to purchase under this Contract.

l) Force Majeure

Neither Consultant nor County shall be liable for failing to fulfill any obligation under this Contract if such failure is caused by an event beyond such party's reasonable control and which is not caused by such party's fault or negligence. Such events shall be limited to acts of God, acts of war, fires, lightning, floods, epidemics, or riots.

ARTICLE 11) NOTICES

All notices required pursuant to this Contract shall be in writing and addressed to the parties at their respective addresses set forth below. All such notices shall be deemed duly given if hand delivered or if deposited in the United States mail, postage prepaid, registered or certified, return receipt requested. Notice as provided herein does not waive service of summons or process.

If to the County: Department of Risk Management
 118 N. Clark, Room 1072
 Chicago, Illinois 60602
 Attention: Department Director

and

Cook County Chief Procurement Officer
118 North Clark Street, Room 1018
Chicago, Illinois 60602
(Include County Contract Number on all notices)

If to Consultant: Contract Administrator
 HMS
 5615 High Point Dr.
 Irving, TX 75038
 Attention: Penny Miller

Changes in these addresses must be in writing and delivered in accordance with the provisions of this Article 11. Notices delivered by mail are considered received three days after mailing in accordance with this Article 11. Notices delivered personally are considered effective upon receipt. Refusal to accept delivery has the same effect as receipt.

ARTICLE 12) AUTHORITY

Execution of this Agreement by Consultant is authorized by a resolution of its Board of Directors, if a corporation, or similar governing document, and the signature(s) of each person signing on behalf of Consultant have been made with complete and full authority to commit Consultant to all terms and conditions of this Agreement, including each and every representation, certification and warranty contained in it, including the representations, certifications and warranties collectively incorporated by reference in it.

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Introduction

1/30/2015

Dependent Eligibility Audit is an important undertaking. It requires experience, proper planning, extensive communication, focused execution and an appropriate timeline for employees to respond and comply accordingly—a Dependent Eligibility Audit is not something that should be rushed. As such, choosing the right partner for these services is a critical decision. The service provider that you select will be handling confidential data, and dealing with sensitive issues.

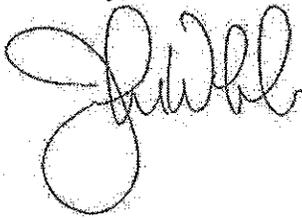
Choosing HMS will enable Cook County to achieve industry leading results while minimizing disruption. A Dependent Eligibility Audit is not about removing the maximum number of dependents in the shortest period of time. Our processes are designed to achieve high response rates and to make sure that only those who are ineligible for coverage are removed. While this may be a subtle difference, it has a large impact on how our communications are designed, how our service representatives are trained and how your employees are treated. We have an experience based proven process that achieves unmatched results with exceptional customer satisfaction.

Below are a few benefits of our services and our unique delivery model:

- ▶ The process is designed to meet the specific needs and objectives of each client.
- ▶ Our timeline is focused on achieving the highest response and compliance rate.
- ▶ Our proprietary technology delivers efficient solutions with accurate results.

As the following pages will show, the HMS model fits ideally with the objectives and needs of Cook County. We thank you for the opportunity to present this proposal and look forward to the opportunity to serve Cook County.

Sincerely,



John Webb
Managing Director
(812) 704-5749
john.webb@hms.com

The HMS Difference

- ▶ **Dependent Eligibility Audit Focus.** Dependent Eligibility Auditing represents over 85% of our division's revenue. Since 2004 we have specialized in dependent audits and offer our customers unmatched focus and dedication. For those reasons, HMS is chosen over enrollment vendors, HR Outsourcing (HRO) companies, Business Process Outsourcing (BPO) service providers and consulting firms. We will achieve superior results with less disruption. HMS has audited over 4 million dependents and we've saved our clients over \$12 billion through various cost containment solutions. Our results are unmatched in the industry.
- ▶ **Superior Communication.** We achieve a greater than 95% average employee response with our comprehensive communications process. A well executed communications plan will help employees understand why the audit is being conducted and how to comply. This will lead to higher response rates, fewer issues and better results. HMS provides up to 8 outbound communications with our proven approach. Cook County employees can respond and communicate with us through 7 different channels providing them with a preferred response method.
- ▶ **Unified Delivery Model.** All of HMS's project management, customer service, call center operations and software development take place in the U.S., within the Employer Solutions division. This means a more secure environment for sensitive data, faster issue resolution and better service to Cook County and your valuable employees.
- ▶ **Environmentally Friendly "Green" Communication Options.** We are committed to conserving and preserving the earth's natural resources. Outbound e-mail, automated outbound calls, and electronic document uploads are just a few of the options we offer to reduce the consumption of paper throughout the process.
- ▶ **Service.** Our customers are the best source of information about why we are the preferred audit solution for over 40 Fortune 500 companies, employers of all sizes across multiple industries and numerous public sectors (State government, Municipalities, Counties, School Districts, Colleges, Universities, etc.).



1. The Dependent Eligibility Audit Process

Our model is comprised of a team approach where Cook County is assigned a project manager, given a dedicated dependent eligibility call center team, and document review specialists.

HMS's customized Dependent Eligibility Audit will identify ineligible dependents that are being covered by your health plan. Organizations have experienced up to a 12% reduction in healthcare participants by using our service, with a usual range of 4% to 8%. A reduction of ¼ to ½% of enrolled dependents, which is 1 out of every 200 to 400 enrolled dependents, will typically cover the costs of our program. Returns on investment generally range from 400% to well over 1000%.

1.1 Process Overview

HMS's Dependent Eligibility Audit process was built with flexibility in mind. The steps outline our proven "best practice". Our standard communications program includes the following:

- ▶ 1 Verification letter
- ▶ 1 Reminder letter
- ▶ 1 Final Notice letter
- ▶ Custom response letter
- ▶ Confirmation postcard
- ▶ Term confirmation postcard
- ▶ Involuntary termination letter

Our clients have achieved a 95% average employee response rate when following our recommended approach. However, virtually every step of the process can be customized offering you the ultimate flexibility. The specific details of the entire process are defined during the Planning Phase of the project and thoroughly documented. Our audit process is flowcharted in **Appendix A**.

1.2 Planning Phase

During the Planning Phase your dedicated Project Manager will utilize a proprietary project planning workbook to define all of the aspects of the project and document them accordingly. These include, but are not limited to:

- ▶ Defining the project timeline
- ▶ Determining the required verification documents for each situation
- ▶ Customizing the outbound communications and FAQ documents
- ▶ Customizing the website content for your employees
- ▶ Defining and testing the enrollment data file

Based on our experience, we recommend allowing 30 days for the Planning Phase.

Mailing Policy

In accordance with USPS mailing requirements, HMS checks all addresses against the National Change of Address Registry to ensure the highest possible delivery rates and to minimize return mail. This is required in order to qualify for the maximum discounted pre-sorted postage rates. We do not charge additional fees for postage or handling.

We will track all invalid mailing addresses and implement processes to make corrections to the address file and will communicate all results/changes with Cook County. Any mail that is returned as undeliverable is flagged as having an invalid address in our system. A report is then generated and research is conducted, with your collaboration, to obtain accurate information. If mail is returned with a forwarding address, that information is captured in our system and will be provided to Cook County.

Discrepancies related to personal information such as the spelling of names and invalid birthdays will be captured and provided to you.

1.3 Verification Phase

HMS will conduct a thorough process to confirm eligibility for the dependents on your Plan. Additionally, we are able to integrate a process to verify availability of healthcare through another employer for spouses or adult dependents if desired and applicable. This Phase requires employees to submit appropriate documents verifying their dependent's relationship and eligibility under the plan rules. The specific documents to be required are at the discretion of Cook County and will be collaborative and generally based upon our experience with prior audits, as well as the specific definition of an eligible dependent in your Summary Plan Description(s). There is no limitation to the number of dependent types or subtypes that may be added to our system.

Verification Letter #1—Initial letter

An initial Verification Letter will be drafted through a concerted process and particular emphasis will be placed on the opening paragraph. The reason for this focused attention is to set the proper tone with your employees, in keeping with your organization's culture. The remainder of the letter will list the current dependents by name with their date of birth and request the required documentation to confirm eligibility for each dependent. We also include a custom FAQ with each Verification Letter that will address key items most important to your population.

Verification Reminder—Detailed Reminder

A second letter is sent as a reminder of the upcoming deadline to all "non-responders". This second letter will be sent approximately two-thirds of the way through the verification period. E-mail or auto outbound phone calls may also be used as reminders at this stage in the process to support the audit.

Final Notice

This communication will announce the upcoming Grace Period. HMS will send this notice five days after the deadline to those employees who have not yet responded.

Employee Verification Responses

- Your employees' responses throughout the program will be returned to HMS for tracking and processing. The employee can provide their response as follows: Postage-paid Business Reply Envelope (included in the mailing package)
- Secure toll-free fax number
- Secure document upload via employee web portal
- Secure camera phone picture upload

- Verification documents can vary from client to client based on the plan's eligibility definitions, but some of the more common (best practice) documents requested are:
 - Marriage Certificate with supporting document validating marriage is still current (i.e. household bill within 60 days, bank statement, current tax-return, etc. with financial info redacted)
 - Domestic Partner paperwork in where required by the state
 - Birth Certificate
 - Stepchild (birth certificate must match name of at least one parent on marriage certificate)
 - Legal Guardianship Paperwork
 - Legal Adoption Paperwork
 - Appropriate Affidavits

All documents that are provided to HMS will be scanned and retained for rapid retrieval and documentation purposes. Hard-copy documentation will be retained for up to one year after completion of the project. Document disposal will occur securely and only upon mutual agreement with you regarding the timing and process. HMS does not charge additional fees for document or data imaging, processing, storage or destruction.

HMS will supply Cook County with a file of dependents to be removed from the Plan in an agreed upon format that will enable data to be seamlessly uploaded into your and/or your carrier's system. HMS does not charge extra fees for data conversion or formatting.



For each submission by the employee, HMS will send a follow-up response. If the employee is in full compliance, a confirmation postcard will be sent to close the loop. For incomplete submissions, a customized response letter will be sent. This letter will highlight the area(s) of non-compliance and request that the individual provide additional information. For employees that elect to remove one or more dependents, a termination confirmation letter is sent, along with the appeals process to ensure that the intentions of the employee were properly captured.

1.4 Grace Period

Ideally, all persons contacted will respond during the Verification Phase. **HMS achieves industry leading employee response rates averaging greater than 95%.** However, there will always be individuals that fail to respond and others that wait until the last minute only to realize that they do not possess the required documentation. As such, we recommend building in an unpublished Grace Period. At the onset of the Grace Period, a Final Notice of Adverse Action letter will be sent to all non-responders.

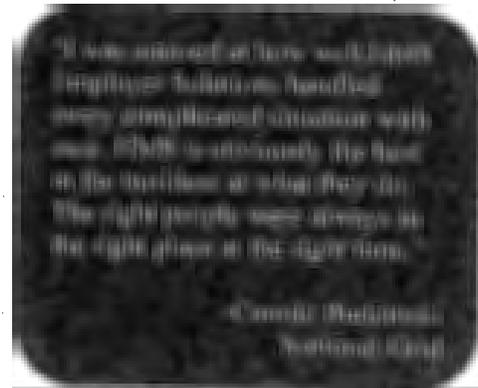
This period is to inform the employee that the audit has closed and they have not complied as required. This allows one last period for the employee to respond. This letter should also include any information regarding an appeals process or COBRA details.

If Cook County follows our “best practice” approach and recommendations throughout the process we would expect the non-response rate to be low. Depending on the non-response rate there are multiple options to consider when determining the method to reach out to those who haven’t complied with the audit. We will consult with you at the conclusion of the Verification Phase to determine the best approach. Our mission is to achieve the highest response rate possible with every audit.

1.5 Dedicated Call Center Operations

A key to a successful dependent eligibility audit is the employee customer service experience. Throughout the audit process your employees will be able to contact HMS through a variety of ways. These include e-mail, custom web portal, toll-free fax, US mail, and a dedicated toll-free call center that is staffed Monday through Friday.

- ▶ Secure facility operated by HMS
- ▶ All calls are recorded and logged
- ▶ Custom software with *focused* reporting
- ▶ Audit status information available 24/7 via automated response system.
- ▶ CSRs available 8:00am to 8:00pm EST with extended hours available
- ▶ 10:1 staff to supervisor ratio
- ▶ Multilingual associates and over 150 languages supported
- ▶ Staffed by DE Audit *Specialists*



Our dedicated call center is located in Jeffersonville, Indiana. Our center has had a history of success with the strategic hiring of customer service associates. We always ensure proper staffing to meet our service level commitments to our customers. Attaining the best associates requires highly specialized hiring processes that include behavioral-based interview methodologies and extensive background screening.

All of our associates will be trained on the specific elements of your audit prior to taking any calls from your employees to ensure they have all of the information necessary to provide your employees with the best experience possible.

Quality Assurance

Our associates are closely monitored to ensure accuracy and professionalism. All phone calls are recorded for continuous improvement. Our Quality Team works with all associates to ensure proper call handling and audit processing on a monthly basis. Additionally, our Team Leads provide coaching and feedback on a weekly basis to each associate. Our call center is managed using a 10:1 associate to lead ratio for effective management. The rigorous and professional training of all customer service associates ensures that only highly prepared and certified agents will handle calls for your account. This enables HMS to achieve industry leading results and superior customer satisfaction.

Multilingual Capability

The call center is equipped to handle Spanish-speaking callers. HMS employs multiple Spanish speaking and multilingual call center associates and supervisors. In addition, other languages

can be accommodated utilizing Language Line services that provide live on-the-line interpretation for over 150 languages.

1.6 Dedicated Document Processing Center

Our mail processing facility is badge access controlled and monitored with surveillance cameras 24/7 to ensure that documents are processed and handled in a safe and secure environment.

All inbound mail is date stamped. It is then scanned and the physical paper is securely stored. Once the documents are imaged, the process is entirely electronic. The quality of the scan is verified and the number of pages is entered manually in order to provide a check and balance to ensure all documents are imaged appropriately.

The analysis of the inbound mail is handled utilizing automated work queues. This ensures that mail is processed on a “first in – first out basis.” Our dedicated document processing center also processes all documents that are electronically received via toll-free fax or document upload through the custom employee web portal or mobile device.



1.7 Audit Technology



The Dependent Eligibility Audit process is supported by AuditOS™ a custom-developed proprietary technology platform built and supported by internal IT resources. AuditOS houses all dependent and employee data in a secure database. Extensive scrubbing routines are processed against the data to ensure data integrity and maximize mail delivery rates. AuditOS contains the functionality to support the Service Representatives that will be assigned to your project. It has extensive workflow elements built into the process to ensure a positive customer experience. AuditOS contains the rules engine that automates the determination of a dependent’s eligibility - mail processors do not make this decision. Instead, the processor simply identifies the valid documentation provided, the rules engine then determines if the dependent is eligible based on the type of dependent, the required documentation and the submitted documents. AuditOS also determines the next step in the processing stream – which could include sending a custom response letter, a confirmation postcard, or a term confirmation. AuditOS helps to ensure that the data is accurate and the audit is successful.

Employee Web Portal

AuditOS is integrated with our real-time reporting capabilities. This includes a web portal where your employees can determine their status in the dependent eligibility audit process and obtain pertinent information about the audit. The portal contains the following information:

- ▶ An overview of the audit program,
- ▶ The definition of an eligible dependent,
- ▶ The required documentation by dependent type,
- ▶ An extensive list of FAQs,
- ▶ Tools and resources to aid employees in obtaining required documents that may not be in their possession and links to other insurance information.
- ▶ The ability to enter an e-mail address that will allow them to receive an e-mail alert when certain key status changes occur based on their submission and processing of their documentation.
- ▶ A secure document upload feature to supply the required information for the audit electronically. The document upload capability allows employees to upload the required documents and receive a faster confirmation of compliance closing the audit loop for employees and quickly completing their process.
- ▶ Soft-Landing resources to help employee that lose their dependent coverage find other coverage through the Health Insurance Exchanges or other avenues (Call Center also provides this assistance).

1.8 Reporting

HMS will provide reports that measure the efficiency, effectiveness, and adherence to the timeline of the Dependent Eligibility Audit. Reporting frequency and data content will be mutually agreed upon by HMS and Cook County. The reports will, at a minimum, include:

- ▶ **Verification Status Summary Report.** Number of letters mailed, number of responders, number of complete documentation sets received, number of incomplete documentation sets received, number of non-responders, number of returned pieces of mail;
- ▶ **Call Center statistics;**
- ▶ **Bi-weekly Management Summary Report.** Progress and milestones met;
- ▶ **Master File of Final Eligibility Status Determination Detail Report.** enrollee information, dependent information, and eligibility confirmed, and eligibility not confirmed;
- ▶ **Appeals Report.** Number of appeals, number accepted, and number rejected;
- ▶ **File of all Imaged eligibility documentation.** Received and enrollee correspondence;

- ▶ **Performance Guarantee Report.** Summarizes our compliance with all contract guarantees; and
- ▶ **Final Project Report.** Summarizes project outcome and suggestions to improve the Plan's management of dependent eligibility and cost savings.
- ▶ **Ad Hoc Reports.** Provided at your request without any additional fees.

Administrative Web Portal

The Administrative Web Portal, powered by AuditOS™ (See Appendix C), enables key Cook County representatives to obtain real-time statistics regarding processing statuses, call volumes, website hits, the project calendar, issues and their resolution, and the general status reports that are updated weekly. The Administrative Portal also provides the ability to determine a real-time status for any individual by name. All reporting is focused on meaningful and useful data. The reporting modules within AuditOS and the Administrative Portal are both designed with extensive flexibility. Custom and ad hoc reports are available upon request and at no additional cost. We can easily set up a live demonstration of our customized web portals at your request.

1.9 Performance Guarantees

HMS is confident that our services will meet and exceed our client's expectations. The below table lists the performance guarantees against which we will be measured, along with the fees at risk for failing to meet the defined goal.

Metric	Fees at Risk	Measurement
Document Processing Accuracy	2%	99% of inbound documents will be processed accurately as measured by an internal quality assurance process of 2-5% of documents received.
Document Processing Timeliness	2%	98% if inbound mail will be processed within 5 business days, on average, based on the technology time-stamp for each item.
Call Center Responsiveness	2%	98% of calls will be answered within 55 seconds on average.
Return on Investment	Any shortfall	The project ROI is guaranteed to be 2:1. Any financial shortfall will be refunded in full such that the project meets this guarantee.

1.10 Timeline

The timeline is designed to be flexible and can be shortened or extended based on the needs and objectives of Cook County. However, a proper Dependent Eligibility Verification Process requires an appropriate allotment of time to enable the communications to be effective and allow your employees adequate time to source and submit the required documentation. If the process is rushed, it will heighten the number of disgruntled employees, generate a higher non-response rate and likely force a number of dependents who are actually eligible for coverage off of the plan, creating a high number of appeals.

- ▶ Planning Phase: 30 days
- ▶ Verification Phase: 45 days
- ▶ Unpublished Grace Period: 20 days
- ▶ Close Out Period 6 days

We can modify the audit parameters in a variety of ways in order to meet aggressive timelines although it is not recommended that you attempt to rush the process as respondents will need ample time to collect and submit the requested documentation. There are multiple options to consider when conducting a Dependent Eligibility Audit.

2. Fee Structure

Our pricing model is detailed below. HMS is pleased to offer Cook County competitive pricing along with additional services at no charge to Cook County.

2.1 Assumptions

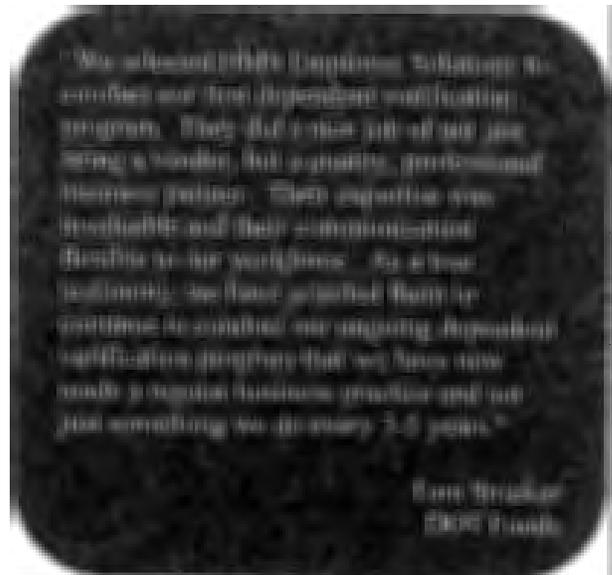
The pricing of the Dependent Eligibility Audit based on the following assumptions:

- ▶ Data provided will be submitted on conventional media and in a common format. Acceptable media include CD, e-mail or SecureFile. Acceptable formats include fixed or delimited text files or sequential and relational databases.
- ▶ No fees or charges are associated with any third-party provision of enrollment data in support of the audit process.
- ▶ The number of distinctly different eligibility rules has been identified (if more than 2 distinctly different rules exist for any dependent type an additional fee of \$750 per plan may apply).
- ▶ All travel-related expenses will be paid by Cook County as a direct, pass-through cost from HMS. Travel expenses will be minimal and generally only upon your request.

2.2 Pricing

On a conservative basis, this project would deliver a Return on Investment (ROI) of 994% if just 620 (2%) enrolled dependents were removed. (Please see **Appendix B** for a more detailed ROI calculation and **Appendix C** for a tiered pricing overview based on the State of Illinois Dependent Audit contracts.) Based on an approximate dependent count of 31,000 the total project cost will be **\$142,290, or \$4.59 per Dependent reviewed**. A \$4.25 per dependent fee will be applied for any dependents in excess of 31,000. The pricing in this proposal is valid for 90 days and is inclusive of:

- ▶ All printing and production of communication materials,
- ▶ All inbound and outbound first class postage,
- ▶ Experienced project management,
- ▶ Inbound document processing,
- ▶ Electronic and hardcopy data storage and retrieval,
- ▶ Call center support,



- ▶ All telecommunications costs, and
- ▶ IT development costs for up to 10 hours of programming for data files.

We will adjust the fees accordingly if there is a materially significant change in scope or an increase in the number of employees and/or dependents prior to the onset of the project.

HMS's Dependent Eligibility Verification service produces substantial ROI over a 1 year period utilizing conservative assumptions. The below table outlines the potential savings for a Dependent Eligibility Audit.

ROI CALCULATION	Conservative (2%)	Moderate (5%)	Typical (8%)
Dependents Removed	620	1,550	2,480
Annual Savings	\$2,170,000	\$5,425,000	\$8,680,000
Return on Investment	1425%	3713%	6000%

2.3 Additional No-Fee Enhancements

At HMS we go above and beyond in our mission to provide our customers with the ultimate program that will verify dependents and have a positive impact across your entire benefits structure. We accomplish this mission by offering an unparalleled suite of enhancement services listed below at no additional fee to you:

- ▶ **Business Reply Envelopes.** Pre paid Business Reply Envelopes are included you're your first outbound mailing. Business Reply Envelopes improve your employee's experience and response rates.
- ▶ **Data Conversion and Formatting.** HMS is happy to convert data into a format that is acceptable to you for easy uploads into your system.
- ▶ **Supply of Documentation in electronic format on indexed media.** HMS will supply all documentation back to you in PDF format on indexed media.
- ▶ **Ad Hoc Reports.** We understand the necessity to have the data you need when you want it. If you can't find the data you need through our standard robust reporting via our web portal or frequent status reports, we will create customized reports for you at your request.
- ▶ **HR Training.** Many of our clients have multiple HR leaders in various locations that have a need to understand the audit plans and objectives, what their role is within the audit process and how to handle particular situations. HMS offers pre-audit web based training programs that will be hosted by your dedicated project manager to ensure all are up-to-speed on the audit plans, objectives and their roles and responsibilities.

2.3 Other Service Options

Based on your specific circumstances and needs, HMS offers a variety of value-added services for a nominal fee:

- ▶ **Spousal Affidavit.** For plans with spousal provisions or surcharges
- ▶ **Adult Dependent Affidavit.** For those plans intending on maintaining their grandfathered status.
- ▶ **Social Security Number Collection.** New Medicare Secondary Payer provisions being implemented will require all carriers and group health plans to report the Social Security Numbers (SSN) of all participants. Most carriers will be requesting these numbers from the group health plan. A dependent eligibility audit can be a good time to collect this data. **HMS will provide this service at a rate of \$1.00 per dependent.**
- ▶ **Coordination of Benefits Information.** HMS is able to integrate a process to collect other insurance information to assist with proper coordination of benefits. Proper coordination of benefits is a key component to reducing the cost of healthcare claims.

Please let us know if you are interested in any of these options prior to contracting with us for audit services so that we may fully customize our program to fit your exact needs.

2.5 Payment Terms

We propose the following payment schedule:

- 100% due within forty five (45) days of verification letter mail date

2.6 Results Guarantee

HMS will provide a guarantee that Cook County will achieve a positive ROI with our dependent audit program based on a theoretical savings over a one-year period. Based upon the stated assumptions, along with a savings rate of \$3500 per dependent, this would translate to requiring that 41 dependents (.10%) be removed in order to attain a positive ROI (see **Appendix B**). Any shortfall would either be subtracted from future invoices or promptly refunded. HMS will typically match any ROI guarantee offered by any competitor.

3. Firm History & Experience

HMS is a wholly owned subsidiary of HMS Holdings Corp. HMS is the nation's leader in cost containment solutions for government-funded, commercial, and private entities.

Focused exclusively on the healthcare industry since our founding, HMS helps our clients ensure that healthcare claims are paid correctly and by the responsible party, and that those enrolled to receive program benefits meet qualifying criteria.

By deploying our proven approaches, HMS recovers in excess of \$1 billion for our clients every year, and saves them billions of dollars more in erroneous payments.

3.1 Expertise

HMS is widely recognized as a trusted industry resource and expert on Dependent Eligibility Auditing. Our staff has provided commentary and published articles on the subject of Dependent Eligibility Audits for many well respected publications including the following:



Biographies are listed for the key individuals who will be responsible for completing the audit. Additional team members will be assigned to the project as needed based on workflow and project timing.

All customers and their projects are of utmost importance to HMS. The HMS project team will be comprised of highly experienced professionals, each with a set of impressive credentials that include critical skills and talents for this project. This team has synergy, commitment and experience that cannot be otherwise replicated in the healthcare auditing industry.

Doug Williams, Vice President

Mr. Williams is an experienced Sales, Marketing, and Operations Executive with more than 27 years of experience in health care consulting and strategic planning and information technology. As Vice President of the Employer Solutions division, Mr. Williams brings in-depth experience in a variety of leadership and operational roles. He is responsible for revenue and sales on a national level, including the vision, strategy, operations, and executive leadership for product offerings with new and emerging markets. As an integral part of the HMS team since 2013, Mr. Williams has created additional markets and product options and has moved the Sales team into national territories for improved focus and accountability.

Julie Johnson, Director: DEA Operations

Ms. Johnson has over 15 years of experience in operational management, project management, and process design in the service industry. Ms. Johnson applies service experience, including managing all operational aspects for clients, leading an internal consulting team responsible for strategic project implementations and building a world-class customer contact center handling nearly one million calls per year. Ms. Johnson earned her bachelor's degree from the University of Louisville

Ms. Johnson's responsibilities include project planning and execution for all facets of the DEA process, including client status reporting, escalation resolution, and ensuring operational excellence.

Project Managers

HMS will assign a dedicated project manager once the project has been awarded. Our Dedicated Account Managers have managed over 500 dependent eligibility audits for over 2.5 million dependents. The dedicated project manager will be the day-to-day contact for Cook County throughout the project. All updates and reporting will be available from the project manager. The project manager will oversee the entire audit process from the Planning Phase to the audit results. The Project team is located in the same facility as the project manager, creating a very cohesive team structure to adhere to Cook County's needs.

Steve Klimesh, Director of Systems Support

Mr. Klimesh has more than 12 years' experience in information and security systems gained through employment with Hewlett Packard, Swiss Air, Inacom Information Systems and ExecuTrain. Primary responsibilities have included maintaining data integrity and loss prevention. Mr. Klimesh holds a Bachelor of Administration in Computer Information Systems. He enjoys the challenges that today's emerging technologies pose and employs a never quit attitude. In this project Mr. Klimesh will be responsible for all technology processes, procedures and support.

Ben Schy, Director of IT

Ben Schy will oversee the exchange, import, and export of the client's data and will oversee all audit operations from the technical perspective to make ensure that HMS's systems are working

properly. He will also assist your Project Manager, as needed, when it comes to interpreting complex data layouts or unusual project requirements. Ben is the primary designer and implementer of our auditing applications. He is an expert on the supporting databases that all applications rely on. Prior to this position, he was a Software Engineer at Tellabs where he tested system integration of digital cross-connect product including system startup, functionality, and performance tests. As an Embedded Software Engineer, Ben gained extensive process experience while testing, designing, and implementing C and C++ code for multi-platform handheld cable testing unit. Ben received his bachelor's degree in Computer Engineering from Rose-Hulman Institute of Technology in Terre Haute, Indiana.

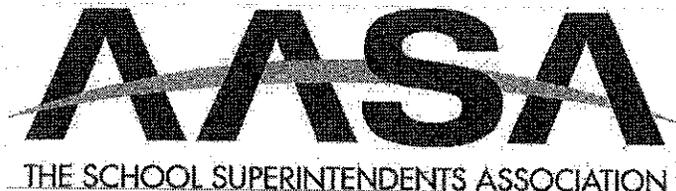
3.2 Firm Background

In 2010, two leading healthcare cost-containment firms joined forces to create HMS Employer Solutions. This newly formed division of HMS combines the distinguished personnel and the advanced technology from each company, making it one of the most experienced providers of cost-containment services within the industry.

The staff of HMS Employer Solutions provides employers and managed care organizations with Dependent Eligibility Audits, Medical Claim Audits, as well as other healthcare cost-containment services.

Since 2001, clients have saved over \$1 billion through our auditing services. Over 2.5 million dependents have been audited through our dependent eligibility services since 2004, which makes HMS Employer Solutions one of the most qualified dependent verification providers in the industry. HMS Employer Solutions is the *only* dependent verification firm with products and experience across the entire range of employer sizes. Our dependent audit clients range in size from those with 50 employees to the largest Fortune 500 companies and government entities. This newly formed division is supported by the 30-year history of HMS, the healthcare cost-containment, coordination of benefits, and program integrity services experts.

HMS is the only provider of Dependent Eligibility Audit services exclusively endorsed by the American Hospital Association and the American Association of School Administrators (AASA).

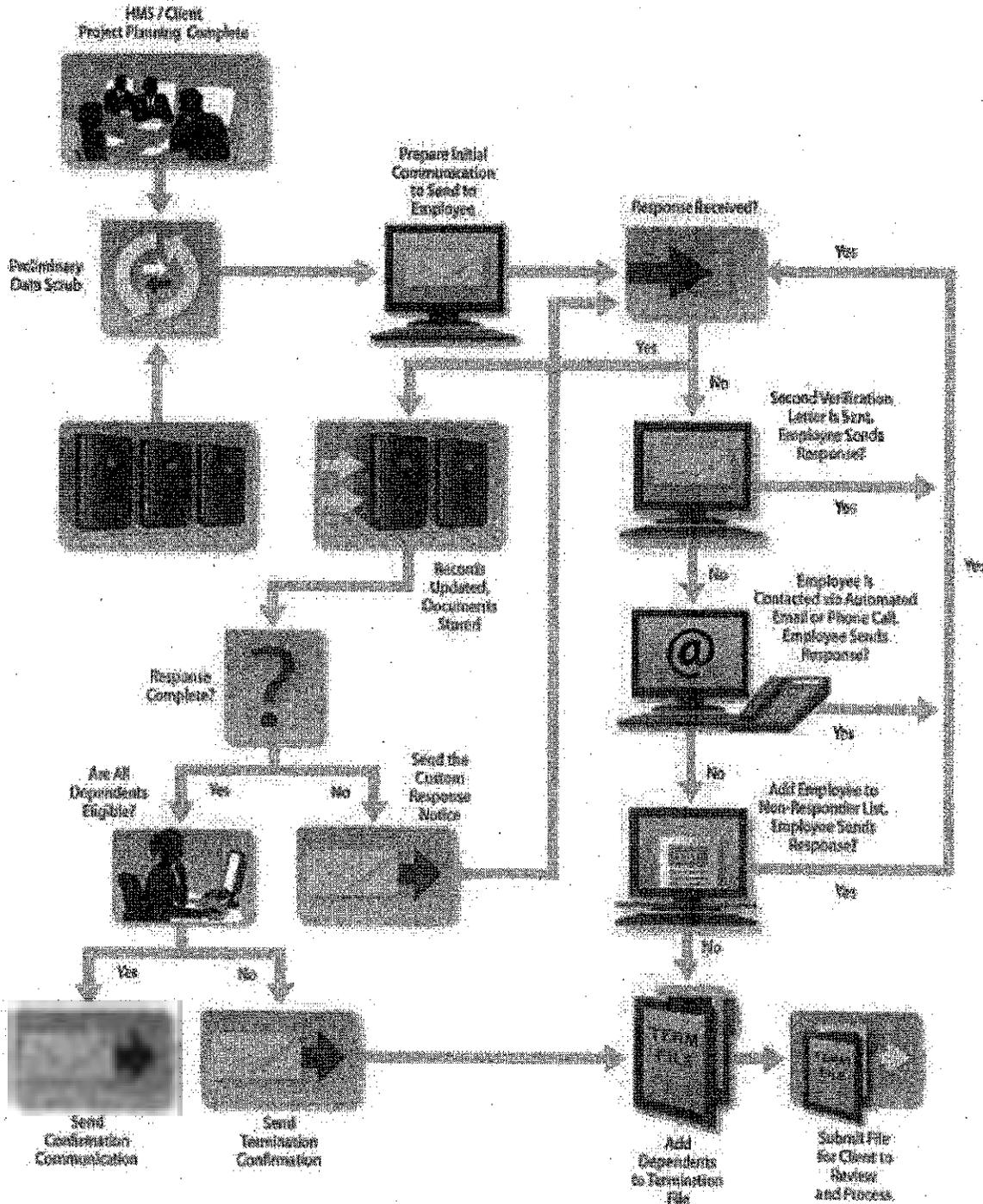


Contact Information

The primary contact for this proposal is John Webb, Managing Director. John Webb is available via the following methods:

(812) 704-5749
john.webb@hms.com

Appendix A – Detailed Process Overview



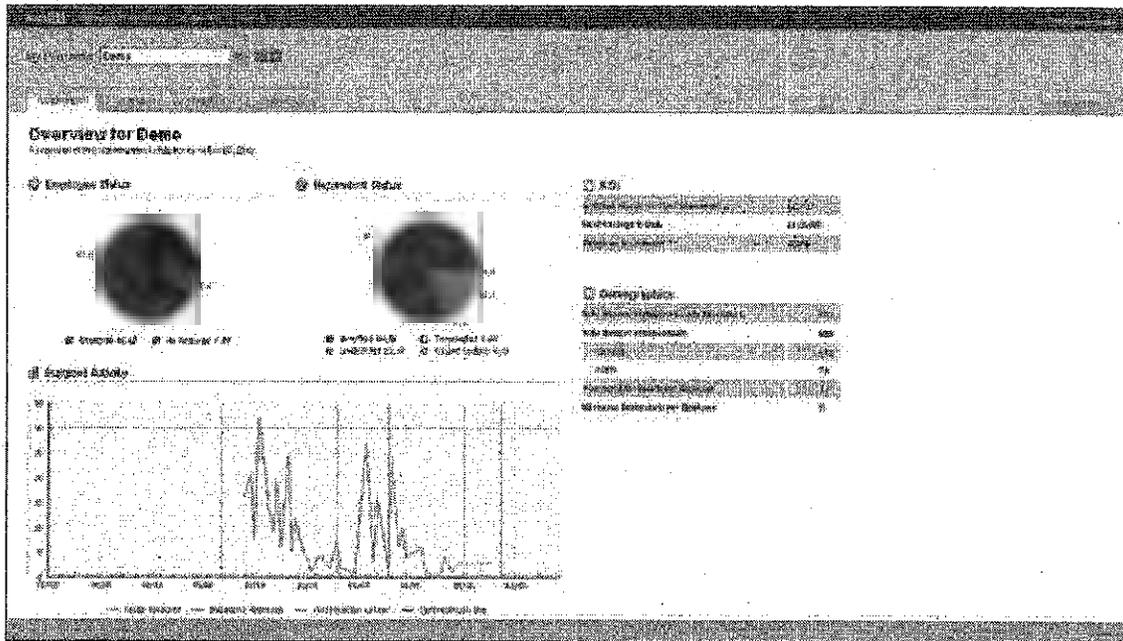
Appendix B – ROI Calculation

HMS's Dependent Eligibility Verification service produces substantial ROI utilizing conservative assumptions.	
Project Assumptions	
Average annual cost per covered dependent:	\$3,500
Number of covered dependents:	31,000
Number of employees with covered dependents:	14,762
Period of financial return:	1 year
Project Cost	
Total cost:	\$142,290.32
Projected Savings	
<i>Break-even Calculation</i>	
Savings required to break-even:	\$142,290.32
Number of dependents that must be dropped:	41
Percentage of dependents that must be dropped:	0.1%
<i>Conservative Calculation</i>	
A 2% reduction in dependents:	620
Annual savings for removed dependents:	\$2,170,000
<i>Moderate Calculation</i>	
A 5% reduction in dependents:	1,550
Annual savings for removed dependents:	\$5,425,000
<i>Typical Calculation</i>	
A 8% reduction in dependents:	2,480
Annual savings for removed dependents:	\$8,680,000
Projected Return on Investment	
<i>Conservative</i>	
$(\$2,170,000 - \$142,290) / \$142,290$	1425%
<i>Moderate</i>	
$(\$5,425,000 - \$142,290) / \$142,290$	3713%
<i>Typical</i>	
$(\$8,680,000 - \$142,290) / \$142,290$	6000%

Appendix C – Tiered pricing overview, per State of Illinois contract.

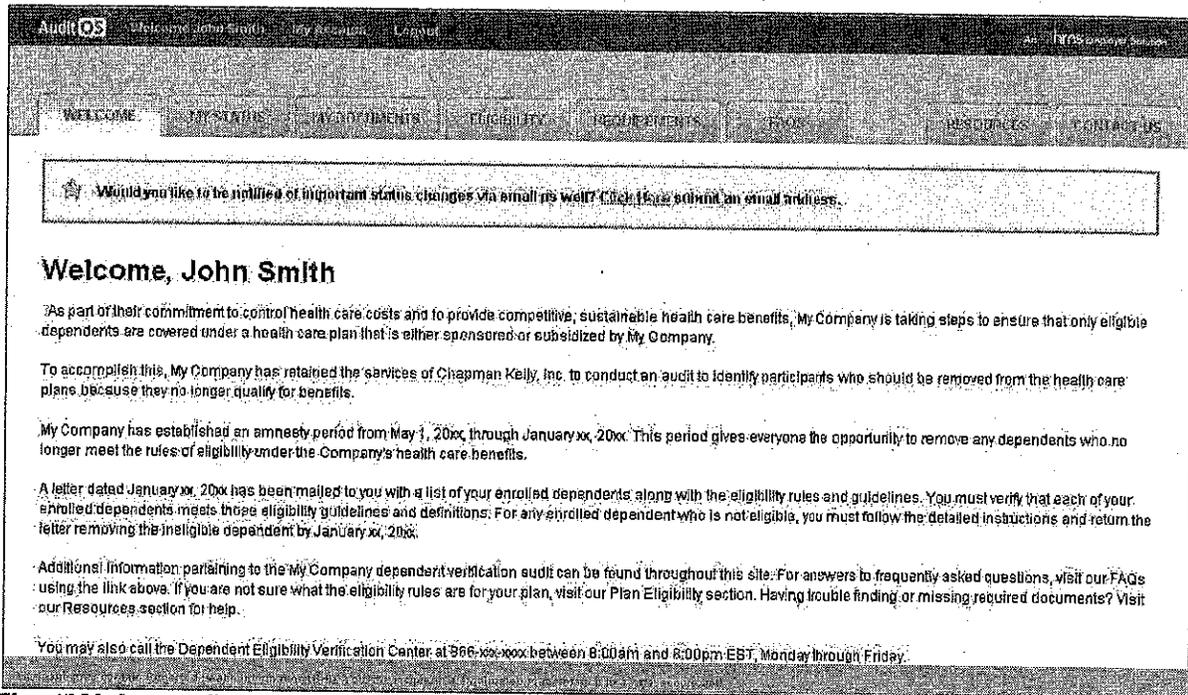
DEVA Pricing Tiers	
Dependent Count	Per Dependent Cost
2500	\$10.47
5000	\$7.35
10,000	\$5.79
15,000	\$5.27
30,000	\$4.59
60,000	\$4.17
120,000	\$3.86
180,000	\$3.77

Appendix D – Administrative Web Portal Screen Shots

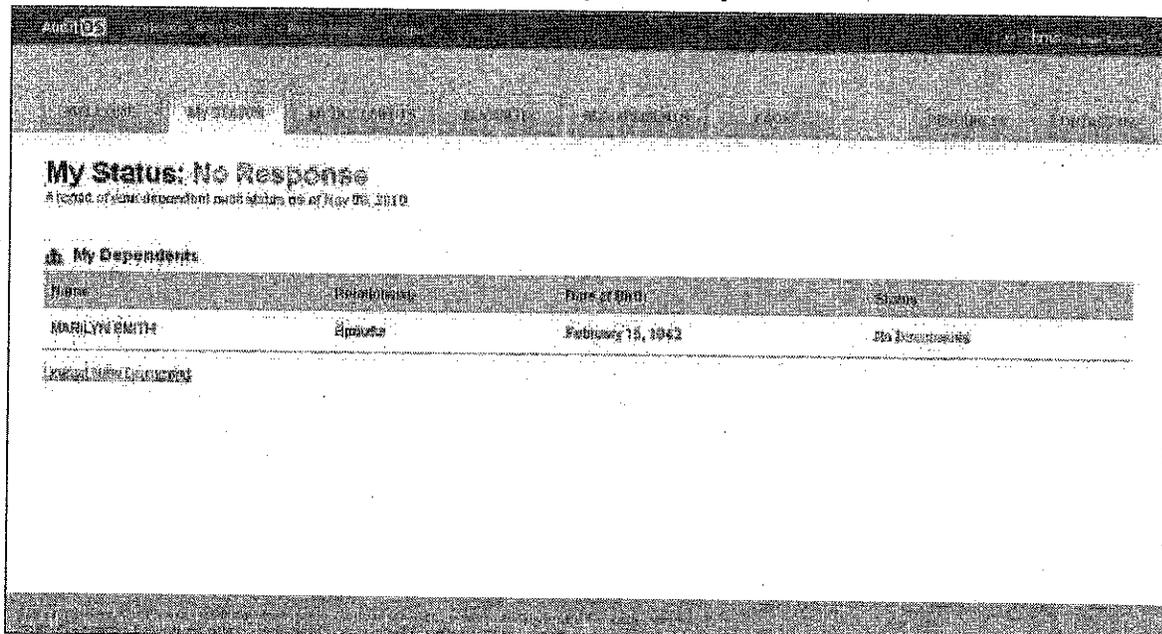


The administrative personnel have real time statistics available and categorized by Employee Status, Dependent Status, ROI, and Demographics.

Appendix D – Employee Web Portal Screen Shots



The “Welcome” page informs employees about the audit and allows them to enter an email address to receive important updates and confirmations.



Employees may check their dependent verification status during the audit.

My Documents
Review all documents you have uploaded, tested, or mailed in to CHS Health Care. Also, review all notices that have been mailed to you.

Upload a New Document

Only PDF or JPEG files are allowed. No files over 2MB in size.

Browse...

UPLOAD

Documents You Sent
We have not received any documents from you.

Documents Sent to You

Type	Sent
...	06/11/2015

Employees upload documents or review the documents already uploaded. Employees can also retrieve copies of their audit letters from this page.

Eligibility
This page describes the different cases of eligibility for your dependents on your company's current benefits plan.

As a reminder, eligible dependents are defined in your benefits summary as:

- Your legal spouse;
- Your unmarried child up to age 18 living with you and dependent upon your support;
- Your unmarried child who is less than 25, enrolled as a full-time student and dependent upon your support;
- Your unmarried child who is incapable of self-support as the result of a physical or mental disability.

An eligible child is defined as your biological child, adopted child, stepchild or any child for whom you have been court appointed legal guardian.

Employees can easily review eligibility rules and requirements found in your Summary Plan Description

Requirements
The documents required to prove eligibility for each of your dependents currently enrolled in your benefit plans.

Spouse

- A copy of your marriage certificate.

Domestic Partner

- A copy of the Affidavit of Domestic Partnership **AND**
- Proof of residency such as driver's licenses or passports showing the same address, mortgage documents or a deed, lease or rental agreement showing both employee's and domestic partner's names **AND**
- Proof of financial interdependence such as a joint checking account, credit cards with the same account number in both names, powers of attorney for health care, joint title of an automobile, designation of each other as authorized signatures on safe deposit boxes or joint wills.

CHM

- A copy of the child's birth certificate, naming you or your spouse as the child's parent, or appropriate court order/adoption decree naming you or your spouse as the child's legal guardian.
- In addition, a stepchild requires a copy of the front page of the most recently filed federal tax return confirming this child as a dependent.
- A child of your domestic partner requires a copy of the birth certificate naming your domestic partner as the child's parent **AND** a copy of the front page of the employee or domestic partner's most recently filed federal tax return confirming this child as a dependent.

Employees are able to view the necessary documentation per dependent type

FAQs
Frequently asked questions regarding dependent verification program.

Questions

1. [Who is Chapman Kelly?](#)
2. [Can I send the documents to or drop off the documents with My Company's Human Resources Department?](#)
3. [Can I send the documents to or drop off the documents with My Company's Human Resources Department?](#)

Answers

Who is Chapman Kelly?
My Company is committed to controlling health care costs and to provide competitive, sustainable health care benefits. The purpose of this audit is to enable My Company to ensure that benefit dollars are being spent only on eligible participants. My Company is sensitive to the rising cost of health and dental care. Covering ineligible people drives up the cost of health care for all plan participants, which is why this dependent audit is important to all of us. Dependent eligibility audits of medical, dental and vision enrollments are mainstream practices, especially for large employers. For companies that are self-insured and public like My Company, it is part of its responsibility to ensure that claims are paid only for those who are eligible under the plans.

Customizable FAQ page

AWIT05

WELCOME | MY STATUS | MY DOCUMENTS | ELIGIBILITY | REQUIREMENTS | FAQS | RESOURCES | CONTACT US

General State Resources

General

General resources that can help you during the dependent verification program.

To find required vital records such as Birth Certificates, Death Certificates, Marriage & Divorce Records, first contact the Office of Vital Statistics or the County Clerk's office in the state/county in which the event occurred. You may also use one of the following sites:

- [VitalCheck - Express Certificate Service](#)
- [VitalRec - Vital Records Information](#)
- [National Center for Health Statistics](#)

To obtain an official transcript of your tax return, review the information provided by the IRS by following the link below. Please note that while an exact copy of the tax return requires an additional fee, a transcript is available free of charge and should be sufficient for most documentation needs.

- [IRS - Obtaining a Tax Return Transcript](#)

Resources page to help individuals source difficult to find documentation necessary to complete the audit

EXHIBIT 2

Minority and Women Owned Business Enterprise Commitment

I. POLICY AND GOALS

A. It is the policy of the County of Cook to prevent discrimination in the award of or participation in County Contracts and to eliminate arbitrary barriers for participation in such Contracts by local businesses certified as a Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) as both prime and sub-contractors. In furtherance of this policy, the Cook County Board of Commissioners has adopted a Minority- and Women-owned Business Enterprise Ordinance (the "Ordinance") which establishes annual goals for MBE and WBE participation as outlined below:

Contract Type	Goals	
	MBE	WBE
Goods and Services	25%	10%
Construction	24%	10%
Professional Services	35% Overall	

B. **The County shall set contract-specific goals, based on the availability of MBEs and WBEs that are certified to provide commodities or services specified in this solicitation document. The MBE/WBE participation goals for this Agreement is 35% Overall MBE/WBE participation.** A Bid, Quotation, or Proposal shall be rejected if the County determines that it fails to comply with this General Condition in any way, including but not limited to: (i) failing to state an enforceable commitment to achieve for this contract the identified MBE/WBE Contract goals; or (ii) failing to include a Petition for Reduction/Waiver, which states that the goals for MBE/WBE participation are not attainable despite the Bidder or Proposer Good Faith Efforts, and explains why. If a Bid, Quotation, or Proposal is rejected, then a new Bid, Quotation, or Proposal may be solicited if the public interest is served thereby.

C. To the extent that a Bid, Quotation, or Proposal includes a Petition for Reduction/Waiver that is approved by the Office of Contract Compliance, the Contract specific MBE and WBE participation goals may be achieved by the proposed Bidder or Proposer's status as an MBE or WBE; by the Bidder or Proposer's enforceable joint-venture agreement with one or more MBEs and/or WBEs; by the Bidder or Proposer entering into one or more enforceable subcontracting agreements with one or more MBE and WBE; by the Bidder or Proposer establishing and carrying out an enforceable mentor/protégé agreement with one or more MBE and WBE; by the Bidder or Proposer actively engaging the Indirect Participation of one or more MBE and WBE in other aspects of its business; or by any combination of the foregoing, so long as the Utilization Plan evidences a commitment to meet the MBE and WBE Contract goals set forth in (B) above, as approved by the Office of Contract Compliance.

- D. A single Person, as defined in the Procurement Code, may not be utilized as both an MBE and a WBE on the same Contract, whether as a Consultant, Subcontractor or supplier.
- E. Unless specifically waived in the Bid or Proposal Documents, this Exhibit; the Ordinance; and the policies and procedures promulgated thereunder shall govern. If there is a conflict between this Exhibit and the Ordinance or the policies and procedures, the Ordinance shall control.
- F. A Consultant's failure to carry out its commitment regarding MBE and WBE participation in the course of the Contract's performance may constitute a material breach of the Contract. If such breach is not appropriately cured, it may result in withholding of payments under the Contract, contractual penalties, disqualification and any other remedy provided for in Division 4 of the Procurement Code at law or in equity.

II. REQUIRED BID OR PROPOSAL SUBMITTALS

A Bidder or Proposer shall document its commitment to meeting the Contract specific MBE and WBE participation goals by submitting a Utilization Plan with the Bid or Proposal. The Utilization Plan shall include (1) one or more Letter(s) of Intent from the relevant MBE and WBE firms; and (2) current Letters of Certification as an MBE or WBE. Alternatively, the Bidder or Proposer shall submit (1) a written Petition for Reduction/Waiver with the Bid, Quotation or Proposal, which documents its preceding Good Faith Efforts and an explanation of its inability to meet the goals for MBE and WBE participation. The Utilization Plan shall be submitted at the time that the bid or proposal is due. **Failure to include a Utilization Plan will render the submission not Responsive and shall be cause for the CPO to reject the Bid or Proposal.**

A. MBE/WBE Utilization Plan

Each Bid or Proposal shall include a complete Utilization Plan, as set forth on Form 1 of the M/WBE Compliance Forms. The Utilization Plan shall include the name(s), mailing address, email address, and telephone number of the principal contact person of the relevant MBE and WBE firms. If the Bidder or Proposer submits a Bid or Proposal, and any of their subconsultants, suppliers or consultants, are certified MBE or WBE firms, they shall be identified as an MBE or WBE within the Utilization Plan.

1. Letter(s) of Intent

Except as set forth below, a Bid or Proposal shall include, as part of the Utilization Plan, one or more Letter(s) of Intent, as set forth on Form 2 of the M/WBE Compliance Forms, executed by each MBE and WBE and the Bidder or Proposer. The Letter(s) of Intent will be used to confirm that each MBE and WBE shall perform work as a Subcontractor, supplier, joint venture, or consultant on the Contract. Each Letter of Intent shall indicate whether and the degree to which the MBE or WBE will provide goods or services directly or indirectly during the term of the Contract. The box for direct participation

shall be marked if the proposed MBE or WBE will provide goods or services directly related to the scope of the Contract. The box for Indirect participation shall be marked if the proposed MBE or WBE will not be directly involved in the Contract but will be utilized by the Bidder or Proposer for other services not related to the Contract. Indirect Participation shall not be counted toward the participation goal. Each Letter of Intent shall accurately detail the work to be performed by the relevant MBE or WBE firm, the agreed dollar amount, the percentage of work, and the terms of payment.

Failure to include Letter(s) of Intent will render the submission not Responsive and shall be cause for the CPO to reject the Bid or Proposal.

All Bids and Proposals must conform to the commitments made in the corresponding Letter(s) of Intent, as may be amended through change orders.

The Contract Compliance Director may at any time request supplemental information regarding Letter(s) of Intent, and such information shall be furnished if the corresponding Bid or Proposal is to be deemed responsive.

2. Letter(s) of Certification

Only current Letter(s) of Certification from one of the following entities may be accepted as proof of certification for MBE/WBE status, provided that Cook County's requirements for certification are met:

- County of Cook
- City of Chicago

Persons that are currently certified by the City of Chicago in any area other than Construction/Public Works shall also complete and submit a MBE/WBE Reciprocal Certification Affidavit along with a current letter of certification from the City of Chicago. This Affidavit form can be downloaded from www.cookcountyil.gov/contractcompliance.

The Contract Compliance Director may reject the certification of any MBE or WBE on the ground that it does not meet the requirements of the Ordinance, or the policies and rules promulgated thereunder.

3. Joint Venture Affidavit

In the event a Bid or Proposal achieves MBE and/or WBE participation through a Joint Venture, the Bid or Proposal shall include the required Joint Venture Affidavit, which can be downloaded from www.cookcountyil.gov/contractcompliance. The Joint Venture Affidavit shall be submitted with the Bid or Proposal, along with current Letter(s) of Certification.

B. Petition for Reduction/Waiver

In the event a Bid or Proposal does not meet the Contract specific goals for MBE and WBE participation, the Bid or Proposal shall include a Petition for Reduction/Waiver, as set forth on Form 3. The Petition for Reduction/Waiver shall be supported by sufficient evidence and documentation to demonstrate the Bidder or Proposer's Good Faith Efforts in attempting to achieve the applicable MBE and WBE goals, and its inability to do so despite its Good Faith Efforts.

Failure to include Petition for Reduction/Waiver will render the submission not Responsive and shall be cause for the CPO to reject the Bid or Proposal.

III. REDUCTION/WAIVER OF MBE/WBE GOALS

A. Granting or Denying a Reduction/Waiver Request.

1. The adequacy of the Good Faith Efforts to utilize MBE and WBE firms in a Bid or Proposal will be evaluated by the CCD under such conditions as are set forth in the Ordinance, the policies and rules promulgated thereunder, and in the "Petition for Reduction/Waiver of MBE/WBE Participation Goals" – Form 3 of the M/WBE Compliance Forms.
2. With respect to a Petition for Reduction/Waiver, the sufficiency or insufficiency of a Bidder or Proposer's Good Faith Efforts shall be evaluated by the CCD as of the date upon which the corresponding Bid or Proposal was due.
3. The Contract Compliance Director or his or her duly authorized Waiver Committee may grant or deny the Petition for Reduction/Waiver based upon factors including but not limited to: (a) whether sufficient qualified MBE and WBE firms are unavailable despite good faith efforts on the part of the Bidder or Proposer; (b) the degree to which specifications and the reasonable and necessary requirements for performing the Contract make it impossible or economically infeasible to divide the Contract into sufficiently small tasks or quantities so as to enable the Bidder or Proposer to utilize MBE and WBE firms in accordance with the applicable goals; (c) the degree to which the prices or prices required by any potential MBE or WBE are more than 10% above competitive levels; and (d) such other factors as are determined relevant by the Contract Compliance Director or the duly authorized Waiver Committee.
4. If the Contract Compliance Director or the duly authorized Waiver Committee determines that the Bidder or Proposer has not demonstrated sufficient Good Faith Efforts to meet the applicable MBE and WBE goals, the Contract Compliance Director or the duly authorized Waiver Committee may deny a Petition for Reduction/Waiver, declare the Bid or Proposal non-responsive, and recommend rejection of the Bid, Quotation, or Proposal.

IV. CHANGES IN CONSULTANT'S UTILIZATION PLAN

- A. A Consultant, during its performance of the Contract, may not change the original MBE or WBE commitments specified in the relevant Utilization Plan, including but not limited to, terminating a MBE or WBE Contract, reducing the scope of the work to be performed by a MBE/WBE, or decreasing the price to a MBE/WBE, except as otherwise provided by the Ordinance and according to the policies and procedures promulgated thereunder.
- B. Where a Person listed under the Contract was previously considered to be a MBE or WBE but is later found not to be, or work is found not to be creditable toward the MBE or WBE goals as stated in the Utilization Plan, the Consultant shall seek to discharge the disqualified enterprise, upon proper written notification to the Contract Compliance Director, and make every effort to identify and engage a qualified MBE or WBE as its replacement. Failure to obtain an MBE or WBE replacement within 30 business days of the Contract Compliance Director's written approval of the removal of a purported MBE or WBE may result in the termination of the Contract or the imposition of such remedy authorized by the Ordinance, unless a written Petition for Reduction/Waiver is granted allowing the Consultant to award the work to a Person that is not certified as an MBE or WBE.

V. NON-COMPLIANCE

If the CCD determines that the Consultant has failed to comply with its contractual commitments or any portion of the Ordinance, the policies and procedures promulgated thereunder, or this Exhibit, the Contract Compliance Director shall notify the Consultant of such determination and may take any and all appropriate actions as set forth in the Ordinance or the policies and procedures promulgated thereunder which includes but is not limited to disqualification, penalties, withholding of payments or other remedies in law or equity.

VI. REPORTING/RECORD-KEEPING REQUIREMENTS

The Consultant shall comply with the reporting and record-keeping requirements in the manner and time established by the Ordinance, the policies and procedure promulgated thereunder, and the Contract Compliance Director. Failure to comply with such reporting and record-keeping requirements may result in a declaration of Contract default. Upon award of a Contract, a Consultant shall acquire and utilize all Cook County reporting and record-keeping forms and methods which are made available by the Office of Contract Compliance. MBE and WBE firms shall be required to verify payments made by and received from the prime Consultant.

VII. EQUAL EMPLOYMENT OPPORTUNITY

Compliance with MBE and WBE requirements will not diminish or supplant other legal Equal Employment Opportunity and Civil Rights requirements that relate to Consultant and Subcontractor obligations.

Any questions regarding this section should be directed to:
Contract Compliance Director

Cook County
118 North Clark Street, Room 1020
Chicago, Illinois 60602
(312) 603-5502

EXHIBIT 3

Evidence of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/5/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 8511 South Sam Houston Parkway East Houston TX 77075	CONTACT NAME: Linda Brown PHONE (A/C, No, Ext): 713-209-2803 E-MAIL ADDRESS: linda_brown@ajg.com	FAX (A/C, No): 713-369-1474
	INSURER(S) AFFORDING COVERAGE	
INSURED HMS Holdings Corp. Health Management Systems, Inc. 5615 High Point Drive Irving TX 75038	INSURER A: Travelers Indemnity Co of America	NAIC # 25666
	INSURER B: Travelers Indemnity Company	NAIC # 25658
	INSURER C: Farmington Casualty Company	NAIC # 41483
	INSURER D: The Travelers Indemnity Company of	NAIC # 25682
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER: 910440704** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		6301871P115	11/30/2014	11/30/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$EXCLUDED GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BA1885P13A	11/30/2014	11/30/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
C D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N N/A	UB7112P784 UB7112P796	11/30/2014 11/30/2014	11/30/2015 11/30/2015	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER **CANCELLATION**

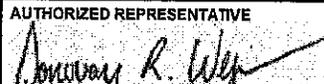
Department of Risk Management Room 1072 - County Building 118 North Clark Street Chicago IL 60602-1304	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	---

EXHIBIT 4

Certification for Consulting or Auditing Services

**COOK COUNTY
OFFICE OF THE CHIEF PROCUREMENT OFFICER
CERTIFICATION FOR CONSULTING OR AUDITING SERVICES
OFFICES OF THE PRESIDENT**

This Certification is made and required pursuant to Section 34-193 (a) of the Procurement Code, and must be completed by any Contractor providing Consulting or Auditing Services for Cook County. For purposes of this Certification, "County" shall mean the offices which are administered by the President of the County Board. Please print or type responses clearly and legibly. Add additional pages if needed, being careful to identify each portion of the form to which each additional page refers to.

SECTION 1: CONTRACTOR'S INFORMATION

COMPANY NAME: Health Management Systems, Inc.
 ADDRESS: 5015 High Point Drive, Irving, TX 75038
 TELEPHONE: 214-453-3000
 CONTACT NAME: John Webb
 CONTACT EMAIL: John.Webb@hms.com

SECTION 2: AFFILIATE INFORMATION

If the Contractor has any "Affiliates" please provide the names, addresses and telephone numbers of each Affiliate below. For purposes of this Certification "Affiliates" shall mean a person or "Entity" that directly or indirectly controls the Contractor, is controlled by it, or with the Contractor, is under common control of another person or entity. For purposes of this Certification, "Entity" shall mean a sole proprietorship, corporation, partnership, association, business trust, estate, two or more persons having a joint or common interest, trustee of a land trust, other commercial or legal entity or any beneficiary or beneficiaries thereof.

Please see attached "affiliate information".

SECTION 3: CONTRACT INFORMATION

- a. This Certification relates to the following Contract: _____
- b. The Contractor is providing the following type of Services: Auditing or Consulting
- c. The Contractor is providing the Services under the Contract for the following Cook County Business Unit or Office: Department of Risk Management
- d. Is the Contractor or its Affiliates, if any, providing Consulting or Auditing Services, either directly, or as a subcontractor to the County under any other Contracts? Yes or No.

SECTION 2: AFFILIATE INFORMATION

HMS Holdings Corp (Parent company) - 5615 High Point Drive, Irving, TX 75038; ph. - (214) 453-3000

Allied Management Group Special Investigations Unit, Inc. (AMG-SIU) - 5615 High Point Drive, Irving, TX 75038; ph. - (214) 453-3000

IntegriGuard LLC - 1121 North 102 Court, Suite 202, Omaha, NE 68114; ph. - (402) 498-2400

Reimbursement Services Group, Inc. (RSG) - 360 Park Ave South, 17th Floor, New York, NY 10010 ph. - (212) 857-5200

HealthDataInsights, Inc. (HDI) - 7501 Trinity Peak Drive, Suite 210, Las Vegas, NV 89128; ph. - (702) 243-8730

EXHIBIT 5

Identification of Subcontractor/Supplier/Subconsultant Form

**Cook County
Office of the Chief Procurement Officer
Identification of Subcontractor/Supplier/Subconsultant Form**

OCPO ONLY:
<input type="radio"/> Disqualification
<input type="radio"/> Check Complete

The Bidder/Proposer/Respondent ("the Contractor") will fully complete and execute and submit an Identification of Subcontractor/Supplier/Subconsultant Form ("ISF") with each Bid, Request for Proposal, and Request for Qualification. The Contractor must complete the ISF for each Subcontractor, Supplier or Subconsultant which shall be used on the Contract. In the event that there are any changes in the utilization of Subcontractors, Suppliers or Subconsultants, the Contractor must file an updated ISF.

Bid/RFP/RFQ No.: 1530-14427	Date: 5/12/15
Total Bid or Proposal Amount: \$142,290	Contract Title: Dependent Eligibility
Contractor: HMS	Subcontractor/Supplier/ Subconsultant to be added or substitute: Advantage Marketing
Authorized Contact for Contractor: JOHN Webb	Authorized Contact for Subcontractor/Supplier/ Subconsultant: Patricia Hermann
Email Address (Contractor): John.Webb@HMS.com	Email Address (Subcontractor): phermann@amglt.com
Company Address (Contractor): 5515 High Point Dr. IRVING	Company Address (Subcontractor): 1550 Howard St.
City, State and Zip (Contractor): IRVING, TX	City, State and Zip (Subcontractor): Elk Grove Village, IL 60007
Telephone and Fax (Contractor): 812-704-5749 95038	Telephone and Fax (Subcontractor): 847-932-2110
Estimated Start and Completion Dates (Contractor): 866-748-0935 5/12/15 - 5/12/16	Estimated Start and Completion Dates (Subcontractor): F# 847-932-3348 5/12/15 - 5/12/16

Note: Upon request, a copy of all written subcontractor agreements must be provided to the OCPO.

Description of Services or Supplies	Total Price of Subcontract for Services or Supplies
PRINT & FULFILLMENT	@ 35K

The subcontract documents will incorporate all requirements of the Contract awarded to the Contractor as applicable. The subcontract will in no way hinder the Subcontractor/Supplier/Subconsultant from maintaining its progress on any other contract on which it is either a Subcontractor/Supplier/Subconsultant or principal contractor. This disclosure is made with the understanding that the Contractor is not under any circumstances relieved of its abilities and obligations, and is responsible for the organization, performance, and quality of work. This form does not approve any proposed changes, revisions or modifications to the contract approved MBE/WBE Utilization Plan. Any changes to the contract's approved MBE/WBE/Utilization Plan must be submitted to the Office of the Contract Compliance.

Contractor HMS

Name JOHN WEBB MANAGING DIRECTOR

Title _____

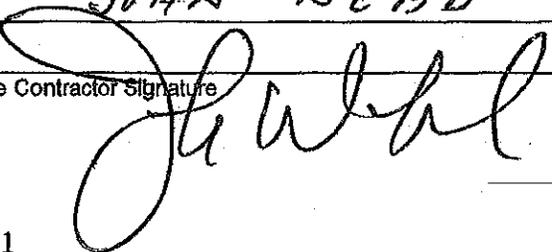
Prime Contractor Signature  Date 5/12/15

EXHIBIT 6

Electronic Payables Program

**OFFICE OF THE COOK COUNTY COMPTROLLER
ELECTRONIC PAYABLES PROGRAM ("E-PAYABLES")**

FOR INFORMATION PURPOSES ONLY

This document describes the Office of the Cook County Comptroller's Electronic Payables Program ("E-Payables").

If you wish to participate in E-Payables, please contact the Cook County Comptroller's Office, Accounts Payable, 118 N. Clark Street, Room 500, Chicago, IL 60602.

DESCRIPTION

To increase payment efficiency and timeliness, we have introduced E-Payables program, a new payment initiative to our accounts payable model. This new initiative utilizes a Visa purchasing card and operates through the Visa payment network. This is County's preferred method of payment and your participation in our Visa purchasing card program will provide mutual benefits both to your organization and ours.

As a vendor, you may experience the following benefits by accepting this new payment type:

- Improved cash flow and accelerated payment
- Reduced paperwork and a more streamlined accounts receivable process
- Elimination of stop payment issues
- Reduced payment delays
- Reduced costs for handling paper checks
- Payments settled directly to your merchant account

There are two options within this initiative:

1. Dedicated Credit Card – "PULL" Settlement

For this option, you will have an assigned dedicated credit card to be used for each payment. You will provide a point of contact within your organization who will keep credit card information on file. Each time a payment is made, you will receive a remittance advice via email detailing the invoices being paid. Each time you receive a remittance advice, you will process payments in the same manner you process credit card transactions today.

2. One-Time Use Credit Card – "SUGA" Settlement

For this option, you will provide a point of contact within your organization who will receive an email notification authorizing you to process payments in the same manner you process credit card transactions today. Each time payment is made, you will receive a remittance advice, via email, detailing the invoices being paid. Also, each time you receive a remittance advice, you will receive a new, unique credit card number. This option is ideal for suppliers who are unable to keep credit card account information on file.

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ATTACHMENT 1

State of Illinois Contract No. CIBADEVA01

STATE OF ILLINOIS

CONTRACT

Department of Central Management Services

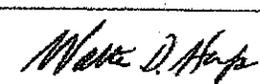
Dependent Eligibility Verification Audit

IPB: 20029332

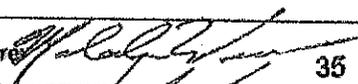
Contract #: CIBADEVA01

CONTRACT SIGNATURES

VENDOR

Vendor Name: Health Management Systems, Inc.	Address: 5615 High Point Drive, Irving, TX 75038
Signature: 	Phone: 212-857-9540
Printed Name: Walter Hosp	Fax:
Title: EVP, Chief Finance Officer	Email: whosp@hms.com
Date: 7/12/13	

STATE OF ILLINOIS

Procuring Agency: Department of Central Management Services, Bureau of Benefits	Phone: 217-558-1840
Street Address: 801 S. 7 th Street, 6 th Floor Annex, P. O. Box 19208	Fax: 217-524-1660
City, State ZIP: Springfield, IL 62794-9208	
Official Signature:  35	Date: 7/30/13
Printed Name: 	
Official's Title: Janice L. Bonneville Deputy Director, Benefits	
Legal Signature: 	Date: 7/31/13
Legal Printed Name: Kevin Casper	
Legal's Title: Gen. Counsel	
Fiscal Signature: 	Date: 7/31/13
Fiscal's Printed Name: PAUL ROMITI	
Fiscal's Title: CFO	

AGENCY/UNIVERSITY USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

Agency or University Reference # 11-55300

Project Title: Dependent Eligibility Verification Audit

Contract # CIBADEVA01

Procurement Method (IFB, RFP, Small, etc): RFP

IPB Ref. #22029332

IPB Publication Date: 5/13/13

Award Code: B

Subcontractor Utilization? Yes No

Subcontractor Disclosure? Yes No

Funding Source

Obligation #

Small Business Set-Aside? Yes No

Minority Owned Business? Yes No Percentage

Female-Owned Business? Yes No Percentage

Persons With Disabilities Owned Business? Yes No Percentage

Other Preferences?

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STATE OF ILLINOIS

CONTRACT

Department of Central Management Services

Dependent Eligibility Verification Audit

IPB: 20029332

Contract #: CIBADEVA01

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and Health Management Systems, Inc. ("Vendor"). This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. DESCRIPTION OF SUPPLIES AND SERVICES
2. PRICING
3. TERM AND TERMINATION
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. SUPPLEMENTAL PROVISIONS
6. STANDARD CERTIFICATIONS
7. FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST
8. DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page.

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1. DESCRIPTION OF SUPPLIES AND SERVICES

- 1.1 **SUPPLIES AND/OR SERVICES REQUIRED:** The State is contracting with Vendor to provide eligibility verification of all Dependents of Members enrolled in a State health insurance plan offered under the State Employees Group Insurance Act of 1971 (5 ILCS 375/1, et seq, as amended).

The Agency administers the following State health insurance programs ("Plans"):

1. **State Employees Group Insurance Program (SEGIP)** - serves employees and retirees, along with their eligible Dependents, of state government and state universities, including constitutional and legislative officials.
2. **Teachers' Retirement Insurance Program (TRIP)** - serves retirees, along with their eligible Dependents, of local school districts (primary and secondary education).
3. **College Insurance Program (CIP)** - serves retirees, along with their eligible Dependents, of community colleges.
4. **Local Government Health Plan (LGHP)** - serves employees and retirees, along with their eligible Dependents, of local governments which choose to participate in this plan.

Vendor shall initiate outreach to all Members with Dependent coverage, outlining the process for verifying Dependent eligibility. The notifications to start the Compliance Period shall be processed in four (4) audit cycles as follows:

- Cycle 1 = Group 1 - Local Government Health Plan (LGHP) and College Insurance Program (CIP)
- Cycle 2 = Group 2a - First Half of State Employees Group Insurance Program (SEGIP)
- Cycle 3 = Group 2b - Second Half of State Employees Group Insurance Program (SEGIP)
- Cycle 4 = Group 3 - Teachers' Retirement Insurance Program (TRIP)

Members shall be given a Compliance Period of no less than thirty (30) days after notification in which to submit acceptable documentation to prove Dependent status to the Vendor. The Agency shall be responsible for entering any changes in Dependent status into the Group Insurance Membership System.

1.1.1 SERVICES REQUIRED:

1.1.1.2 Agency Duties. Agency shall:

- 1.1.1.2.1 Provide Agency templates for letterhead and envelopes for official notices which shall be printed by Vendor at Vendor's expense using Vendor's return address;
- 1.1.1.2.2 Provide Vendor with Dependent files in a proprietary format for certification;
- 1.1.1.2.3 Approve all communication and educational and training materials developed by Vendor;
- 1.1.1.2.4 Prepare and send Blast E-mails regarding the Dependent eligibility verification process;
- 1.1.1.2.5 Upon receipt of ineligible Dependent information from Vendor, terminate coverage for Dependents without acceptable documentation; and

1.1.1.2.6 Review reports submitted by Vendor and provide Vendor with a summary of findings, including the identification of any areas requiring corrective action.

1.1.1.3 Vendor Duties. Vendor shall:

1.1.1.3.1 Be responsible for the cost of sending notices to Members, and any supplies required to operate a call center and other functions of the Contract;

1.1.1.3.2 Provide a dedicated Project Leader to serve as the single point of contact with the Agency and have overall responsibility for Vendor's functions under the Contract;

1.1.1.3.3 Develop all communication, educational and training materials that shall be offered to the State at the launch of the Dependent Eligibility Verification Audit (DEVA) and at the start of each audit cycle identified in Section 1.1. The materials shall include training webinars to ensure State staff is well equipped to field Member questions that may come directly to State staff;

1.1.1.3.4 Provide assistance and participate, as needed, in training sessions to Agency and Vendor staff who will be working with the DEVA process;

1.1.1.3.5 Print Agency letterhead and envelope templates using Vendor's return address in preparation of mailing notices;

1.1.1.3.6 Provide an Employee Web Portal for Member access during the audit process;

1.1.1.3.7 Develop and prepare notices, as identified in Sections 1.1.1.3.8.1 through 1.1.1.3.8.5, to Members with the State's input and approval. Such notices shall:

- a) Include an Address Services Request;
- b) Be mailed via first-class mail, or a "green option" method of distribution that is approved by the State;
- c) Be mailed or distributed at the Vendor's expense; and
- d) Provide clear instructions on available methods for submitting documentation to Vendor, which shall include the Employee Web Portal, Vendor's mobile AuditOS website, a toll-free fax line, or the U.S. Postal Service.

1.1.1.3.8 Distribute notices to Members as necessary during each audit cycle identified in Section 1.1. Such notices shall include, but not be limited to, those identified in Sections 1.1.1.3.8.1 through 1.1.1.3.8.5 below.

1.1.1.3.8.1 **First Notice.** At the beginning of each audit cycle identified in Section 1.1, Vendor shall issue a First Notice to all Members included within the applicable Group. The First Notice shall:

- a) Identify the Compliance Period;
- b) Outline the required documentation to submit so each Dependent's eligibility can be verified;
- c) List the Member's current Dependents by name and include their dates of birth;

- d) Provide instructions on how to submit required documentation or request a time extension;
- e) Direct Members to the Vendor's Employee Web Portal for additional FAQs and to access resources for obtaining documentation;
- f) Define timelines that must be adhered to in order to ensure ongoing coverage for eligible Dependents;
- g) Provide a Postage Paid Customer Response Envelope that may be used to respond to the request for information; and
- h) Offer Members the option to receive subsequent communications and submit documents via secure email.

1.1.1.3.8.2 **Reminder Notice.** Vendor shall issue a Reminder Notice to any Member who fails to respond to the First Notice within 20 days of the date on which the First Notice was sent by Vendor. The Reminder Notice shall:

- a) Notify Members that the Compliance Period is close to expiring and that documentation must be submitted to verify the eligibility of individuals currently identified as Dependents to ensure continued coverage;
- b) Outline the required documentation to submit so each Dependent's eligibility can be verified;
- c) List the Member's current Dependents by name and include their dates of birth;
- d) Provide instructions on how to submit required documentation;
- e) Direct Members to the State/Vendor co-branded Employee Web Portal to access resources for obtaining documentation;
- f) Identify the deadline for submission of documentation by the Member; and
- g) Provide instructions on how the Member may request additional time for verification.

1.1.1.3.8.3 **Incomplete Notice.** Vendor shall issue an Incomplete Notice to any Member who responds to a First Notice or Reminder Notice but fails to submit documentation sufficient to verify Dependent eligibility. The Incomplete Notice shall:

- a) Acknowledge receipt of a subset of the required verification documentation;
- b) Describe the reason(s) why documentation submitted by the Member was deemed insufficient;
- c) Request additional or specific verification documentation, itemized by Dependent;
- d) Identify the deadline for submission of documentation by the Member; and
- e) Provide details on how to request an extension of time.

1.1.1.3.8.4 **Pre-Termination Notice.** Vendor shall issue a Pre-Termination Notice to each Member who fails to submit sufficient Dependent verification documentation prior to the end of the Compliance

Period or any extended period granted to the Member by Vendor. The Pre-Termination Notice shall:

- a) Describe the action that will be taken by the State to terminate on a specific date any Dependent whose eligibility was not verified;
- b) Describe the reason(s) why documentation submitted by the Member, if any, was insufficient to verify Dependent status;
- c) Provide information regarding the reconsideration process for terminated Dependent(s); and
- d) Provide alternative sources for identifying potential benefit plans to which ineligible Dependents may have access, including State, federal, and commercial options.
- e) Provide direction to Members to contact the Agency Group Insurance Division after the audit is completed (after the appeals time period).

1.1.1.3.8.5 Extension Notice. Vendor shall issue an Extension Notice to any Member who has requested additional time beyond the Compliance Period to submit verification documentation. The Extension Notice shall:

- a) Identify the amount of additional time, if any, approved by the State and being granted to the Member for submission of acceptable documentation;
- b) Describe action the State will take to terminate Dependents whose eligibility is not verified by the final verification deadline; and
- c) List the Dependent(s) for whom additional time is being granted.

1.1.1.3.9 Adhere to the documentation requirements outlined in each Plan's handbook located at: http://www.state.il.us/cms/3_services_ben_choice/.

1.1.1.3.10 Review and verify documentation provided by Members and report its findings to the Agency regarding continued eligibility for Dependent coverage.

1.1.1.3.10.1 Vendor shall retain all Member communications in an Administrative Web Portal. The portal shall streamline the submission of eligibility documentation and provide easy access to important information, including, but not limited to, the Plans' definitions of eligible Dependents, tools and resources that assist Members in obtaining copies of required documents (e.g., birth certificates, marriage licenses, and tax returns), and answers to FAQs.

1.1.1.3.10.2 The State shall have access to any specific communication at any time throughout the process through the Employee Web Portal.

1.1.1.3.10.3 Members shall have access to any communications sent to them via the secure Employee Web Portal at all times throughout the project. Members shall have the ability to upload documents via the Employee Web Portal. Members shall also be given the option

to elect to receive notifications via email when there is a change to their audit status.

- 1.1.1.3.11 Process all verification documentation submitted by Members, and provide all necessary data to the Agency in a format as specified in the Trading Partner Agreement, attached hereto as Attachment CC.
- 1.1.1.3.11.1 Vendor shall work with the State to set up the appropriate transfer of data elements needed for the audit scope.
- 1.1.1.3.11.2 Vendor shall scrub the received data file and complete quality control audits to ensure that all required data elements are complete, accurate, and meet the requirements for performing the audit scope.
- 1.1.1.3.11.3 Vendor shall work with the State's file format and file structure as long as all required data elements are available.
- 1.1.1.3.11.4 Vendor shall date-and time-stamp all mail received, image and attach the documents electronically to the Member's record, and submit to the queue for audit and response.
- 1.1.1.3.12 Provide weekly and monthly recurring reports and files of verified eligibility, as required by Agency, through utilization of an Administrative Web Portal. The Administrative Web Portal shall provide the State with:
- a) Real-time statistics regarding processing status, call volumes; website hits, the project calendar, issues and their resolution, and weekly status reports;
 - b) An individual view, by name, of each Member's audit status; and
 - c) The ability to run a variety of standard reports at any time.
- 1.1.1.3.13 Check all addresses against the National Change of Address registry to ensure the highest possible delivery rates and to minimize return mail. Vendor shall provide the State with a list of the name and address of each Member whose address was updated as part of this process.
- 1.1.1.3.13.1 Any mail returned as undeliverable shall be flagged as having an invalid address in Vendor's system and reported to the State. Research may be conducted, with State collaboration, to obtain accurate address information.
- 1.1.1.3.13.2 Information related to any mail returned with a forwarding address shall be captured in Vendor's system and reported to the State.
- 1.1.1.3.14 Verify contact information each time a Member contacts the Vendor's call center.
- 1.1.1.3.15 Refer all legislative and media inquiries, audit requests, or subpoenas promptly to the Agency for response; and
- 1.1.1.3.16 Provide a Business Continuity and Disaster Recovery (BC-DR) plan.

1.1.1.4 Implementation Plan and Administration

- 1.1.1.4.1 Vendor shall provide assistance to Agency during the implementation process and ongoing contract administration (including but not limited to support at meetings) and be available for meetings with State staff to discuss outstanding issues. The meeting participants must have the authority to make expeditious decisions of identified issues, have direct telephone access and be available as needed.
- 1.1.1.4.2 Vendor shall provide a project team comprised of experts with varied functional backgrounds and skills, including but not limited to a Program Manager, Project Manager, Project Implementation Director, Accounting/Finance Manager, Reporting staff, Communications Manager, Information Technology (IT) staff, Operations staff, and Project Advisors. The project team shall:
- a) Leverage the resources of dedicated team members as well as the expertise of the Vendor's Subject Matter Experts (SMEs) from a broad range of specialized areas, including but not limited to Project Management, Project Advisors, Reporting, Communications, IT/Security and Operations;
 - b) Be available to the State on a daily basis during the project implementation; and
 - c) Respond to inquiries from State staff within one business day.
- 1.1.1.4.3 Vendor shall utilize the services of an Illinois-based Program Director and an Illinois-based Contract Director.
- 1.1.1.4.4 Vendor shall determine staffing requirements for each of the four audit cycles identified in Section 1.1 of this Contract. Staff must be available and ready to move forward with the project immediately upon Contract execution.
- 1.1.1.4.5 Vendor's staff who will be directly involved in implementation and operations shall:
- a) Understand State-specific regulations, data, and issues;
 - b) Receive initial and ongoing input, guidance, training, and support from Vendor;
 - c) Support the development of verification procedures and project protocols as needed; and
 - d) Work to ensure that all State goals and objectives are met or exceeded.
- 1.1.1.4.6 Vendor shall ensure it is staffed appropriately at all times during each Compliance Period.
- 1.1.1.4.7 Vendor shall provide an implementation plan to the State. Such implementation plan shall outline the steps and meet the timelines necessary to be operational by the Go-Live Date and for the deployment of each of the four audit cycles identified in Section 1.1 of this Contract. Each audit cycle shall consist of four periods, as identified and described in Sections 1.1.1.4.7.1 through 1.1.1.4.7.3 of this Contract.

1.1.1.4.7.1 Period 1: Planning period

Vendor shall work closely with the State to review, discuss, and finalize the Project Charter and work plan and schedule for each audit cycle that identify the scope of work, detailed steps and timeframes for all work to be performed, and the State's level of involvement. The initial planning period shall take place during the first 60 days after execution of this contract and prior to the beginning of the first audit cycle. Vendor shall have a 15-day planning period for each subsequent audit cycle. During each planning period, Vendor shall review and address program design, customization of Member communications, verification processes, operational readiness, and data transmission requirements.

1.1.1.4.7.1.1 Vendor shall perform tasks including, but not limited to, the following during the initial planning period:

- a) Create the detailed project plan;
- b) Adjust the schedule for multiple cycles of audits, if necessary and agreed upon by both Agency and Vendor;
- c) Identify technical/data requirements;
- d) Develop the State's audit guidelines;
- e) Customize Member communications;
- f) Prepare call center scripting and training; and
- g) Develop the State's Employee Web Portal and Administrative Web Portal.

1.1.1.4.7.2 Period 2: Consideration/Verification Period

Vendor shall conduct a thorough process to gather information determined by Agency to represent adequate evidence of eligibility for Dependents. Vendor shall require each Member to submit appropriate documents verifying his/her Dependent's relationship and eligibility under Plan rules. Vendor shall distribute an Extension Notice to all Members who request an extension in writing. Upon receipt of the Notice, Members shall be given a 30-day extension period to submit the required documentation.

1.1.1.4.7.3 Period 3: Reconsideration Period

Once Vendor has notified Members that Dependents who are no longer eligible are being removed from the Plan as a result of the eligibility audit, a 30-day reconsideration period will begin. Vendor shall continue to provide call center support and audit incoming reconsideration documents for completeness. If all reconsideration criteria are met, Vendor shall flag the Member's Dependent for reinstatement. On a weekly basis, Vendor shall provide a file of recommended reinstatements to the State.

1.1.1.5 Processing of Member Submissions

- 1.1.1.5.1 Using State-approved communications, Vendor shall solicit data from Members, gather information to confirm that Dependents fulfill eligibility requirements, and submit any audit findings to the State.
- 1.1.1.5.2 Vendor shall generate a customized message to Members to confirm documentation is received.
- 1.1.1.5.3 All Member submissions shall be thoroughly reviewed by Vendor for authenticity. Each document submitted shall be checked for signs of tampering or modification, including, but not limited to, erasures, white out/correction tape, different type fonts, and different ink. Vendor shall escalate any document that appears suspicious to a senior reviewer or supervisor. If submitted documents appear authentic, they shall be checked for completeness and then associated with the Member's file.

1.1.1.6 Call Center and Customer Satisfaction

- 1.1.1.6.1 Members shall be able to contact Vendor through multiple channels, including a dedicated toll-free telephone number and/or TDD, a custom Employee Web Portal with email capabilities, a custom mobile AuditOS website, toll-free fax machines, and/or U.S. postal mail. All communications with Members shall be handled promptly, efficiently, and professionally.
- 1.1.1.6.2 Members shall have access to an Interactive Voice Response (IVR) solution through Vendor's toll-free telephone number to obtain updated statuses. The IVR solution shall be available to Members 24 hours per day, 7 days per week.
- 1.1.1.6.3 Vendor's call centers shall include at least one staff member bilingual in English and Spanish or able to communicate with Limited English Proficient Population.
- 1.1.1.6.4 Vendor's call centers shall operate, at minimum, from 7:00 a.m. to 7:00 p.m. CST, Monday through Friday.
- 1.1.1.6.5 Vendor shall maintain a holiday closure schedule that coincides with that of the Agency. Vendor shall be available on all days that the Agency is open for business.
- 1.1.1.6.6 Vendor shall record 100% of all incoming calls for the purpose of quality control, training, and support during escalations. A complete list of all communications, including telephone calls, shall be maintained in the Administrative Web Portal for State access. Vendor shall track and time-stamp all calls within its AuditOS database.
- 1.1.1.6.7 Vendor shall refer Members who have questions that are not related to Dependent verification, such as how to enroll a new Dependent or questions regarding specific benefits, to the identified contact from the State.
- 1.1.1.6.8 Vendor's call centers shall be supported by messaging and email systems.
- 1.1.1.6.9 Vendor shall actively measure call center performance to ensure a positive experience for all Members who reach out for assistance.
- 1.1.1.6.10 Vendor shall handle the first-level review of complaints. Agency shall review any complaints not resolved by the Vendor. All complaints, issues, and escalations shall be tracked in the Administrative Web Portal. The portal shall log all correspondence related to an issue, track the next action required, and record the final resolution.
- 1.1.1.6.11 Vendor shall maintain a separate, toll-free telephone line for handling of Agency inquiries.

1.1.1.7 Performance Standards

Vendor shall meet performance standards as specified in Sections 1.1.1.7.1 through 1.1.1.7.7. Non-compliance fees may be assessed by the Agency, at the Agency's discretion, in the event Vendor fails to meet any performance standard identified in such Sections. Non-compliance fees shall be applied against the total amount owed to the Vendor for the applicable month. The compliance fees shall be based on the number of verifications completed by Vendor each month multiplied by the cost per each verification. Any non-compliance fee imposed shall be offset against the Vendor's next invoice. The Agency shall notify Vendor, in writing, upon the imposition of any non-compliance fees.

1.1.1.7.1 Speed of Answer (SOA)

1.1.1.7.1.1 At least 95% of all calls shall be answered by Vendor in less than 2 minutes.

1.1.1.7.1.2 Vendor shall track all calls each month and calculate the percentage of calls answered in less than 2 minutes.

1.1.1.7.1.3 Vendor shall report SOA data in a monthly report as specified in Section 1.1.1.8.9.

1.1.1.7.1.4 In the event SOA does not meet the requirements established in Section 1.1.1.7.1.1, Agency may assess non-compliance fees, as follows:

Monthly Average SOA

90% through 94.9% under 2 minutes

85% through 89.9% under 2 minutes

80% through 84.9% under 2 minutes

79.9% or less, under 2 minutes

Fee

.10% non-compliance fee

.15% non-compliance fee

.20% non-compliance fee

.25% non-compliance fee

1.1.1.7.2 Abandoned Call Rate

1.1.1.7.2.1 Vendor's Abandoned Call rate shall be no more than 5% for each day.

1.1.1.7.2.2 Vendor shall calculate the rate for each day by using the number of all calls (including Abandoned Calls) during each day as the denominator. Vendor shall use the total number of Abandoned Calls during each day as the numerator.

1.1.1.7.2.3 Vendor shall report Abandoned Call data for each day in a monthly report which shall include a calculation of the average number of daily calls and as specified in Section 1.1.1.8.9.

1.1.1.7.2.4 In the event Vendor's Abandoned Call Rate does not meet the requirements established in Section 1.1.1.7.2.1, Agency may assess non-compliance fees, as follows:

Monthly Average Abandoned Call Rate

5.1% through 10% of calls are Abandoned

10.1% through 15% of calls are Abandoned

15.1% through 20% of calls are Abandoned

20.1% or more of call are Abandoned

Fee

.10% non-compliance fee

.15% non-compliance fee

.20% non-compliance fee

.25% non-compliance fee

1.1.1.7.3 Eligibility Verification Accuracy Rate (EVAR)

1.1.1.7.3.1 Vendor shall maintain an EVAR of at least 95%.

- 1.1.1.7.3.2 Eligibility Verification Accuracy shall be measured by using the number of cases each month for which Vendor did not provide a correctly scanned, legible, indexed copy of at least one piece of acceptable verification, as identified by the Agency, as the numerator. The denominator shall be the total number of cases for the month.
- 1.1.1.7.3.3 Vendor shall report Eligibility Verification Accuracy data for each day in a monthly report as specified in Section 1.1.1.8.9.
- 1.1.1.7.3.4 In the event Vendor's EVAR does not meet the requirements established in Section 1.1.1.7.3.1, Agency may assess non-compliance fees, as follows:

<u>Monthly EVAR</u>	<u>Fee</u>
90% through 94.9% accuracy rate	.10% non-compliance fee
85% through 89.9% accuracy rate	.15% non-compliance fee
80% through 84.9% accuracy rate	.20% non-compliance fee
79.9% or less accuracy rate	.25% non-compliance fee

1.1.1.7.4

Inbound Mail Processing Rate

- 1.1.1.7.4.1 Vendor shall maintain an average Inbound Mail Processing Rate of 5 business days, i.e., Vendor shall process all inbound mail within 5 business days.
- 1.1.1.7.4.2 All inbound mail shall be technology time-stamped upon receipt/imaging into Vendor system. Processing time shall be established through a monthly report provided by Vendor based on the date of the time stamp to the date of the first action after inbound mail receipt/imaging into Vendor system.
- 1.1.1.7.4.3 Vendor shall report Processing Timeliness data in a monthly report as specified in Section 1.1.1.8.9.
- 1.1.1.7.4.4 In the event Vendor's Inbound Mail Processing Rate does not meet the requirements established in Section 1.1.1.7.4.1, Agency may assess non-compliance fees, as follows:

<u>Monthly Inbound Mail Processing Rate</u>	<u>Fee</u>
Average greater than 5 business days	2% non-compliance fee

1.1.1.7.5

Email Inquiry Responsiveness Rate

- 1.1.1.7.5.1 Vendor shall maintain an average Email Inquiry Responsive Rate of 2 business days or less, i.e., Vendor shall respond to all inbound email inquiries within 2 business days.
- 1.1.1.7.5.2 Email response time shall be based on the technology time-stamp for each item.
- 1.1.1.7.5.3 Vendor shall report Email Inquiry Responsiveness data in a monthly report as specified in Section 1.1.1.8.9.
- 1.1.1.7.5.4 In the event Vendor's Email Inquiry Responsiveness Rate does not meet the requirements established in Section 1.1.1.7.5.1, Agency may assess non-compliance fees, as follows:

<u>Monthly Email Inquiry Responsive Rate</u>	<u>Fee</u>
--	------------

Average greater than 2 business days 2% non-compliance fee

1.1.1.7.6

Website Uptime Rate

1.1.1.7.6.1 Vendor's Employee Web Portal and Administrative Web Portal shall have 99% availability, excluding scheduled maintenance. For purposes of this Section, scheduled maintenance shall occur no more frequently than once per month and shall not exceed a total of 12 hours per month.

1.1.1.7.6.2 Availability of Vendor's Employee Web Portal and Administrative Web Portal shall be based on reporting from Vendor.

1.1.1.7.6.3 Vendor shall report Website Uptime Rate data in a monthly report as specified in Section 1.1.1.8.9.

1.1.1.7.6.4 In the event Vendor's Website Uptime Rate does not meet the requirements established in Section 1.1.1.7.6.1, Agency may assess non-compliance fees, as follows:

Monthly Website Uptime Rate

Less than 99% Availability,
excluding scheduled maintenance

Fee

2% non-compliance fee

1.1.1.7.7

Return On Investment Rate (ROI)

1.1.1.7.7.1 The DEVA shall provide the State with an ROI of at least as much as the cost of the audit project.

1.1.1.7.7.2 Vendor shall report ROI data in each comprehensive audit report described in Section 1.1.1.8.1 of this Contract.

1.1.1.7.7.3 In the event an audit report indicates the State did not save at least as much as the cost of the audit, Vendor shall refund the amount to make the project cost neutral, up to the cost of the audit. Each cycle shall be considered an independent project for purposes of calculating ROI.

1.1.1.8 Reporting, Status and Monitoring

1.1.1.8.1

Performance Monitoring Vendor shall provide a comprehensive audit report upon completion of each audit cycle as well as the end of the Single Audit. Each comprehensive audit report shall outline the overall process, results achieved, and recommendations for the future.

1.1.1.8.2

Reporting Requirements

Vendor's systems shall enable the production of automatically generated reports, or reports created or prompted on an as needed basis, in order for Vendor to comply with comprehensive reporting requirements as specified throughout the Contract. Vendor shall make revisions in the data or format of a report upon the request of the Agency without additional charge and without requiring a Contract amendment. Vendor shall remove reports as requested by the Agency during the term of the Contract without additional charge and without requiring a Contract amendment. Upon request from the Agency,

Vendor shall share any available information from its information system that relates to this Contract.

Vendor shall submit the reports specified in Sections 1.1.1.8.5 through 1.1.1.8.8, and additional reports on an as needed basis without additional charge.

1.1.1.8.3

Requirements for Recurring Reports/Files

Unless otherwise directed by the Agency, Vendor shall promptly submit reports and files to Agency using an Agency-approved format. Vendor shall develop templates for each of the reports/files identified in Sections 1.1.1.8.5 through 1.1.1.8.10 and submit the templates to Agency for review and approval by the date specified in Vendor's implementation plan.

1.1.1.8.4

Due Dates for Recurring Reports

1.1.1.8.4.1 **Weekly Reports.** Vendor shall submit, by 8:30am CT on the second business day of each week, all weekly reports identified in Sections 1.1.1.8.5 through 1.1.1.8.10.

1.1.1.8.4.2 **Monthly Reports.** Vendor shall submit, by 8:30am CT on the fifth business day of each month, all monthly reports identified in Sections 1.1.1.8.5 through 1.1.1.8.10. Each monthly report shall include weekly and monthly data for each metric.

1.1.1.8.5

Sent and Received Notice Report Vendor shall submit an automatically generated weekly report to the Agency summarizing data from notices sent to or received from Members. Vendor shall work with the Agency in developing the file format and information required. The Sent and Received Notice Report shall identify:

- a) Type of notice and date sent to Member; and
- b) Type of information and date received from Member in response to notices sent.

1.1.1.8.6

Returned Mail Summary Report – Monthly Report

Vendor shall submit a monthly cumulative Returned Mail Report which summarizes the monthly data for all preceding months. Copies of any forwarding address detail received from the United States Postal Service shall be included with the Returned Mail Summary Report. The Returned Mail Summary Report shall identify:

- a) Mail returned with a forwarding address or for which updated contact information was located (i.e., those individuals whom the Vendor can locate); and
- b) Mail returned as undeliverable without a forwarding address or for which no updated contact information was available (i.e., those individuals whom the Vendor cannot locate).

1.1.1.8.7

Call Center Activity Report – Monthly Report

Vendor shall submit monthly reports summarizing all call center activity. Unless otherwise directed in writing by the Agency, the Call Center Activity Report shall include the total call volume by date and the total number of calls by group.

1.1.1.8.8 **Eligibility Action Report and File – Weekly Report**
Vendor shall submit a weekly report and file identifying any Dependents whose coverage has been verified, any extensions of time granted, and any Dependents whose coverage should be terminated due to ineligibility.

At the end of each verification period, Vendor shall provide the Agency with an electronic file (or "flat file") that contains all Dependents identified in the weekly reports as ineligible. Such file shall be indexed and broken down by Member and Dependent name, Social Security Number, Plan, date of birth, and gender. Tracking numbers for any certified mail information, along with a scanned copy of the original documents submitted to Vendor for each Dependent deemed ineligible, shall also be provided to Agency.

1.1.1.8.9 **Performance Standard Report – Monthly Report**
Vendor shall submit a monthly report to the Agency identifying Vendor's status on each performance standard as specified in Sections 1.1.1.7.1 through 1.1.1.7.7. In the event the performance reported on the monthly report does not meet the requirements established in Section 1.1.1.7.1 through 1.1.1.7.7, Agency may assess non-compliance fees.

1.1.1.8.10 **Final Termination Report**
Unless otherwise directed by the Agency, within 30 days of the completion of the Single Audit, Vendor shall provide a cumulative Final Termination Report. The Final Termination Report shall identify all Dependents whose coverage should be terminated due to ineligibility. The Final Termination Report shall include Member and Dependent name, Social Security Number, Plan, date of birth, and gender.

1.2 **MILESTONES AND DELIVERABLES:** Vendor and the Agency shall utilize a detailed Implementation Plan that names each work step and when it will be completed. Vendor and Agency shall constantly monitor the plan to ensure all requirements are met.

1.3 **VENDOR / STAFF SPECIFICATIONS:** Vendor's project team shall include staff experienced in all aspects of the eligibility verification project. Each team member shall be selected to ensure Vendor will conduct a successful audit of Members to determine the eligibility of their Dependents in a respectful, courteous manner.

1.3.1 Vendor's call center shall be fully staffed with qualified, experienced staff to ensure all inquiries are responded to in a prompt and efficient manner and in compliance with the performance standards set forth by the State.

1.3.2. Illinois based staff shall consist of two key team members:

1.3.2.1 The Program Manager shall serve as the liaison between the Vendor and the State, be responsible for day-to-day project management, coordinate activities for the project, and participate in all implementation and project meetings.

1.3.2.2 The Contract Director shall provide oversight to the entire project and shall work with the Project Manager and Program Manager to ensure contract compliance.

1.4 TRANSPORTATION AND DELIVERY: N/A

1.5 SUBCONTRACTING

Subcontractors are allowed.

For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. If subcontractors will be utilized, Vendor must identify below the names and addresses of all subcontractors it will be entering into a contractual agreement with a total value of \$50,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract.

1.5.1. Will subcontractors be utilized? Yes No

- Subcontractor Name: Advantage Marketing Group, Ltd.

Amount to be paid: Approximatey \$140,000-170,000

Address: 1550 Howard Street

Elk Grove Village IL 60007

Description of work: For large-volume outbound mail, Vendor will use the services of Advantage Marketing Group, Ltd., Notices are produced at Advantage Marketing Group's production center in Elk Grove Village, IL.

All subcontracts must include the Subcontractor Standard Certifications and Financial Disclosures and Conflicts of Interest completed and signed by the subcontractor.

1.5.2. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor shall be required to promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

1.6 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

1.6.1 **ILLINOIS MANAGEMENT OFFICE** Vendor shall maintain an Illinois management office for the duration of the contract, placing the Program Manager and the Contract Director in Illinois to manage the contract and the call center.

1.6.2 Contract functions shall be performed in the following locations:

- a) Call Center - Jeffersonville, Indiana
- b) National Operations Center - Irving, Texas. Services provided from this location shall include HR, IT support, and back-up support, if needed, for telephone, print, mail, and imaging services.
- c) Contract management – Chicago, Illinois metropolitan area
- d) Print Services - Chicago, Illinois metropolitan area
- e) Call center back up services - Atlanta, Georgia.

2. PRICING

2.1 FORMAT OF PRICING:

2.1.1 Vendor pricing is based on the terms and conditions set forth in section 1 of this Contract.

2.1.2 Pricing shall be paid on each Dependent verified as specified in 2.6.1.

2.2 **TYPE OF PRICING:** Pricing pursuant to this contract is firm.

2.3 **EXPENSES ALLOWED:** Expenses are not allowed.

2.4 **DISCOUNT:** The State may receive a N/A % discount for payment within N/A days of receipt of correct invoice.

2.5 **TAXES:** Pricing shall not include any taxes unless accompanied by proof the State is subject to the tax. If necessary, Vendor may request the applicable Agency's Illinois tax exemption number and federal tax exemption information.

2.6 VENDOR'S PRICING:

2.6.1 Rate of Compensation for the Initial Term:

2.6.1.1 The Agency will compensate Vendor at the rate of \$3.77 for each Dependent audited during the first 3 years of the Initial Term of this contract.

2.6.1.2 Year 4 and Year 5 of the Initial Term of this contract shall be subject to the same terms and conditions as the first 3 years of the Initial Term, and any increase in price shall not exceed the lesser of the Consumer Price Index for all Urban Consumers (CPI-U) set in May of the fiscal year preceding the year, or 4.0%.

2.6.2 **Renewal Compensation:** If the contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.6.2.1 **Agency/University Formula for Determining Renewal Compensation:** The renewal shall be subject to the same terms and conditions as the original Contract, and any increase in the price shall not exceed the lesser of the Consumer Price Index for all Urban Consumers (CPI-U) set in May of the fiscal year preceding the year, or 4.0%.

3. TERM AND TERMINATION

3.1 TERM OF THIS CONTRACT: This contract has an initial term of 5 years beginning July 1, 2013 to June 30, 2018 or upon final execution of the contract if the contract is not signed by both parties prior to July 1, 2013.

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract.

3.2 RENEWAL:

3.2.1 Any renewal is subject to the same terms and conditions as the original contract unless otherwise provided in the pricing section. The State may renew this contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may neither renew automatically nor renew solely at the Vendor's option.

3.2.2 Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this contract.

3.2.3 The State reserves the right to renew for a total of 5 years in any one of the following manners:

3.2.3.1 One renewal covering the entire renewal allowance;

3.2.3.2 Individual one-year renewals up to and including the entire renewal allowance; or

3.2.3.3 Any combination of full or partial year renewals up to and including the entire renewal allowance.

3.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon written notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

3.4 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

3.4.1 Availability of Appropriation: This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason. 30 ILCS 500/20-60, (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly; or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

3.4.2 The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 PAYMENT TERMS AND CONDITIONS:

4.1.1 Late Payment: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force and effect.

4.1.2 Minority Contractor Initiative: Any Vendor awarded a contract under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) of \$1,000 or more is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.

4.1.3 Expenses: The State will not pay for supplies provided or services rendered, including related expenses incurred, prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.

4.1.4 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Department of Labor and are available on the Department's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for

contacting the Illinois Department of Labor to ensure understanding of prevailing wage requirements at 217-782-6206 or (<http://www.state.il.us/agency/idol/index.htm>).

4.1.5 **Federal Funding:** This contract may be partially or totally funded with Federal funds. If federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided in the award notice.

4.1.6 **Invoicing:** By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.

4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency/University state tax exemption number and federal tax exemption information.

4.1.6.2 Vendor shall invoice at the completion of the contract unless invoicing is tied in the contract to milestones, deliverables, or other invoicing requirements agreed to in the contract.

4.1.6.3 Vendor shall submit four (4) invoices, one at the completion of each audit cycle set forth in Section 1.1, as follows:

- a) Vendor shall submit an invoice for the 1st Payment upon completion of the Cycle #1 Eligibility Verification Process and reporting;
- b) Vendor shall submit an invoice for the 2nd Payment upon completion of the Cycle #2 Eligibility Verification Process and reporting; and
- c) Vendor shall submit an invoice for the 3rd Payment upon completion of the Cycle #3 Eligibility Verification Process and reporting; and
- d) Vendor shall submit an invoice for the 4th Payment upon completion of the Cycle #4 Eligibility Verification Process, and all reporting including final reports.

Vendor shall send invoices to:

Agency/University:	IL Department of Central Management Services, Bureau of Benefits
Attn:	Benefits Management Division
Address:	801 S. 7 th Street, 6 th Floor Annex PO Box 19208
City, State Zip	Springfield, IL 62794-9208

- 4.2 **ASSIGNMENT:** This contract may not be assigned, transferred in whole or in part by Vendor without the prior written consent of the State.
- 4.3 **SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within 15 days after execution of this contract.
- 4.4 **AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State pursuant the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency/University, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records. 30 ILCS 500/20-65.
- 4.5 **TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.
- 4.6 **NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.
- 4.7 **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.
- 4.8 **CONFIDENTIAL INFORMATION:** Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois

Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

- 4.9 USE AND OWNERSHIP:** All Deliverables (as defined in Section 5.1.16) furnished by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.
- 4.10 INDEMNIFICATION AND LIABILITY:** The Vendor shall indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; or (c) any negligent act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents. Neither Party shall be liable for incidental, special, consequential or punitive damages.
- 4.11 INSURANCE:** Vendor shall, at all time during the term and any renewals maintain and provide a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability occurrence form in amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

- 4.12 INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State. All payments by the State shall be made on that basis.
- 4.13 SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.
- 4.14 COMPLIANCE WITH THE LAW:** The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.
- 4.15 BACKGROUND CHECK:** Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background check.
- 4.16 APPLICABLE LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS S05/1. The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).
- 4.17 ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.
- 4.18 CONTRACTUAL AUTHORITY:** The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee, or State Purchasing Officer signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order.
- 4.19 NOTICES:** Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following

the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

- 4.20 MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.
- 4.21 PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.
- 4.22 FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.
- 4.23 SCHEDULE OF WORK:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.
- 4.24 WARRANTIES FOR SUPPLIES AND SERVICES:**
- 4.24.1. Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.
- 4.24.2. Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

4.24.3. Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

4.25 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

4.25.1. Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.

4.25.2. By August 31 of each year, Vendor shall report to the Agency or University the number of qualified veterans and certain ex-offenders hired during Vendor's last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups. 35 ILCS 5/216, 5/217.

4.26 EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 30 ILCS 500/45-67 and 45-70. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

5. SUPPLEMENTAL PROVISIONS

5.1 STATE SUPPLEMENTAL PROVISIONS:

Agency/University Definitions

Whenever used in this contract or amendment, including schedules and attachments to this contract, the following terms shall be defined as below.

- 5.1.1 **Abandoned Call:** the caller elects an option and is either not permitted access to the elected option or disconnects from the system.
- 5.1.2 **Administrative Web Portal:** provides eligibility documentation and easy access to important information, including, but not limited to, the Plans' definitions of eligible Dependents, tools and resources that assist Members in obtaining copies of required documents (e.g., birth certificates, marriage licenses, and tax returns), and answers to FAQs, statistics regarding processing status, call volumes, website hits, the project calendar, issues and their resolution, and status reports.
- 5.1.3 **Affiliate:** any person, firm, corporation (including, without limitation, service corporation and professional corporation), partnership (including, without limitation, general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, business trust, association or other entity is now or in the future directly or indirectly controls or is under common control with the Vendor.
- 5.1.4 **Agency:** Illinois Department of Central Management Services (CMS), or any successor agency, as the agency of State government responsible for entering into the Contract, monitoring performance, receiving the benefits derived from the Contract or making payments under the Contract. In this document, Agency may be referred to as "it" where appropriate to the Contract.

- 5.1.5 **Blast E-mails:** the e-mails sent by Agency informing Members that the Dependent eligibility verification process will be taking place, including the importance of responding to notices prior to the conclusion of the Compliance Period.
- 5.1.6 **Bureau of Benefits:** the division of the Illinois Department of Central Management Services responsible for administering the Plans offered under the State Employees' Group Insurance Act.
- 5.1.7 **Business Days:** traditional workdays include Monday, Tuesday, Wednesday, Thursday and Friday. State Holidays are excluded.
- 5.1.8 **CFR:** the Code of Federal Regulations.
- 5.1.9 **CMS:** the State of Illinois Department of Central Management Services. In this contract CMS may be referred to as "Agency", "we" or "us". "We" or "us" are used appropriate to the context.
- 5.1.10 **Calendar Day(s):** all days in a month, including weekends and holidays. One Calendar Day is a period of time from midnight to midnight, a full 24-hour period.
- 5.1.11 **Code:** the Illinois Procurement Code, 30 ILCS 500/1-5 et seq. and the Standard Procurement Rules, 44 Ill. Administrative Code 1. Unofficial versions of the Code and Standard Procurement Rules (44 Ill. Adm. Code 1), which is applicable to this procurement, may be viewed at <http://www.purchase.state.il.us/>.
- 5.1.12 **College Insurance Program:** the program which provides insurance benefits for an annuitant receiving a monthly benefit or annuity from the State Universities Retirement System (SURS) who prior to retiring, was an employee of an Illinois community college.
- 5.1.13 **Compliance Period:** the minimum thirty (30) day period in which all Members must submit acceptable documentation to the Vendor in order to demonstrate Dependent eligibility.
- 5.1.14 **Contract:** the final signed "Contract for Services" document and required Attachments and Amendments between the Vendor and the Agency.
- 5.1.15 **Day(s):** unless otherwise specified, refers to calendar day(s).
- 5.1.16 **Deliverable:** any service or document, manual, or report (in hard copy, electronic format or specific medium as required) the Vendor is to provide to the State to fulfill a requirement of the Contract.
- 5.1.17 **Dependent:** an employee's spouse, civil union partner, child, dependent beneficiary or other person as defined by the State Employees Group Insurance Act of 1971, as amended (5 ILCS 375/1 et seq.). For purposes of the State Employee's Group Insurance Program only, the term Dependent also includes a domestic partner.
- 5.1.18 **Eligibility Approval:** a determination made by the Vendor indicating a Member has satisfied the eligibility verification requirements in order to continue a Dependent's coverage.
- 5.1.19 **Employee Web Portal:** a secure portal that Members shall have access to any communications sent to them via the at all times throughout the project. Members shall have the ability to upload documents via the Employee Web Portal. Members shall also be given the option to elect to receive notifications via email when there is a change to their audit status.

- 5.1.20 Extension Notice:** notice sent to the Member, after receipt of a Member's request for an extension of time beyond the allotted Compliance Period, stating the amount of additional time, granted to the Member to produce the necessary documents, and listing those Dependents (by name and date of birth) for whom additional time was requested and granted.
- 5.1.21 First Notice:** a notice explaining the Dependent eligibility verification process, the need for the Member to verify the status and accuracy of all documentation including valid Social Security numbers of his/her Dependents in order to continue their coverage, stating the deadline for the Compliance Period by which Members must supply the requested information to the Vendor in order to continue Dependent coverage, and briefly describing the process for an extension of time of the Compliance Period.
- 5.1.22 Fiscal Year (FY):** the twelve (12) month period beginning July 1 through June 30 upon which the State's budget year is based.
- 5.1.23 Go-Live Date:** the date the Vendor sends out the First Notice to Members and opens the call center to begin taking calls.
- 5.1.24 Group Insurance Representative (GIR):** the individual within each State department who is the officially designated liaison between Bureau of Benefits and Members.
- 5.1.25 Health Plan Representative (HPR):** the individual within each unit of local government who is the officially designated liaison between Bureau of Benefits and local government employees.
- 5.1.26 Holidays:** days on which official holidays and commemorations are observed as defined in Illinois at, http://www.cms.il.gov/cms/2_servicese_per/holidays.htm.
- 5.1.27 ILCS:** Illinois Compiled Statutes. An unofficial version of the ILCS may be viewed at: <http://www.legis.state.il.us/legislation/ilcs/ilcs.asp>.
- 5.1.28 Incomplete Notice:** a second notice to Members who responded to the First Notice request for verification but who did not submit acceptable verifications for all Dependents, stating the deadline by which Members must supply the requested information to the Vendor in order to continue Dependent coverage and describing why any previously submitted documentation was found unacceptable, and the process for seeking an extension of time of the Compliance Period.
- 5.1.29 Information Technology (IT):** a combination of computing hardware and software used in: (a) the capture, storage, manipulation, movement, control, display, interchange or transmission of information, i.e. structured data which may include digitized audio and video and documents; (b) the processing of such information for the purposes of enabling or facilitating a business process or related transaction; or (c) both.
- 5.1.30 Limited English Proficient Population:** individuals with a primary language other than English who must communicate in that language if the individual is to have an equal opportunity to participate effectively in, and benefit from, any aid, service or benefit provided by the Vendor.
- 5.1.31 Local Government Health Plan:** the program which provides insurance benefits for local government units, such as cities, towns, villages and townships; entities having the ability to tax or receive moneys from the State of Illinois, such as park districts, housing authorities, water districts, schools; and

entities allowed by statute, such as rehabilitation facilities, domestic violence shelters and child advocacy centers.

- 5.1.32 Member:** an eligible employee, benefit recipient, survivor or annuitant enrolled in a State health plan offered under the State Employees Group Insurance Program, the College Insurance Program, the Teachers' Retirement Insurance Program, or the Local Government Health Plan.
- 5.1.33 Parties:** the Agency and the Vendor.
- 5.1.34 Pre-Termination Notice:** notice to Members who failed to provide acceptable verifications for Dependents within the Compliance Period, which specifies the effective date of termination, provides an update on the Dependent eligibility status of each Dependent, describes why any previously submitted documentation was found unacceptable, and includes a brief description of the reconsideration process.
- 5.1.35 Project Charter:** a statement of the scope, objectives and participants in a project, which provides a preliminary delineation of roles and responsibilities, outlines the project objectives, identifies the main stakeholders, defines the authority of the project manager and serves as a reference of authority of the project.
- 5.1.36 Project Leader:** person on behalf of the Vendor who serves as the single point of contact with the Agency and shall have overall responsibility for the Vendor's functions under the Contract.
- 5.1.37 Reconsideration:** Member's written request for a review of the decision to terminate or other action involving the Member's compliance with the Dependent eligibility verification requirements.
- 5.1.38 Reminder Notice(s):** notice to Members who have not responded to the First Notice listing those Dependents for which verification remains outstanding, stating the deadline for the Compliance Period, describing the process for seeking an extension of time of the Compliance Period, and listing any other Dependents for which acceptable verification has been received.
- 5.1.39 Single Audit:** Dependent eligibility verification process for all groups along with the submission of all required reports.
- 5.1.40 Span of Control:** Information Technology and telecommunications capabilities the Vendor itself operates or is legally responsible according to the terms and conditions of the Contract. The Span of Control also includes systems and telecommunications capabilities outsourced by the Vendor.
- 5.1.41 Speed of Answer (SOA):** the total time between the moment at which a caller to the call center first hears an introductory greeting and enters the queue, and the time at which a call center representative answers the call. For this definition, the term "answer" means to begin an uninterrupted dialogue with the caller. If a caller requests a returned call using the dial-back feature, the SOA shall be defined as the time between the moment at which a caller first hears an introductory greeting and enters the queue, and the time of the returned call, regardless of whether the Member answered.
- 5.1.42 State Employees Group Insurance Program:** the program which provides insurance benefits for current and certain former elected state officials and the employees under their jurisdiction,

employees of state agencies, boards, commissions and universities who work at least 50% of a normal work schedule, as well as retirees and annuitants of these entities.

- 5.1.43 **State of Illinois:** as represented through any agency, department, board, or commission, and includes CMS. In this contract the State of Illinois may be referred to as "State", "we" or "us". "We" or "us" are used appropriate to the context.
- 5.1.44 **Teachers' Retirement Insurance Program:** the program which provides insurance benefits for annuitants receiving a monthly benefit or annuity from the Teachers' Retirement System (TRS) who prior to retiring, were an employee of an Illinois school district.
- 5.1.45 **Telecommunication Device for the Deaf (TDD):** special communication devices for use by individuals with hearing or severe speech impairments who are unable to use conventional phones, also known as Teletype (TTY).
- 5.1.46 **Third Party:** an entity other than the Agency, Vendor, or any of their Affiliates.
- 5.1.47 **Termination:** a Dependent's loss of coverage for failure to satisfy the eligibility verification requirements.
- 5.1.48 **Week:** the traditional seven day week, Sunday through Saturday.

Required Federal Clauses, Certifications and Assurances

N/A

Public Works Requirements (construction and maintenance of a public work). 820 ILCS 130/4.

N/A

Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2,000 per year or printing) 30 ILCS 500/25-60.

N/A

Agency/University Specific Terms and Conditions

N/A

Other (describe)

N/A

5.2 **VENDOR SUPPLEMENTAL PROVISIONS**

Vendor Supplemental Provisions

N/A

6. STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this subsection in its entirety for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this subsection in its entirety, and is under a continuing obligation to remain in compliance and report any non-compliance.

This subsection, in its entirety, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

6.1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

- 6.2. Vendor certifies it and its employees will comply with applicable provisions of the United States Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and applicable rules in performance of this contract.
- 6.3. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies he/she is not in default on an educational loan. 5 ILCS 385/3.
- 6.4. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies it he/she has not received (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code. 30 ILCS 105/15a; 40 ILCS 5/14-108.3; 40 ILCS 5/16-133.
- 6.5. Vendor certifies that it is a legal entity authorized to do business in Illinois prior to submission of a bid, offer, or proposal. 30 ILCS 500/1.15.8, 20-43.

- 6.6. To the extent there was a current Vendor providing the services covered by this contract and the employees of that Vendor who provided those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract. This does not apply to heating, air conditioning, plumbing and electrical service contracts. 30 ILCS 500/25-80.
- 6.7. Vendor certifies it has neither been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor made an admission of guilt of such conduct that is a matter of record. 30 ILCS 500/50-5.
- 6.8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. 30 ILCS 500/50-10.
- 6.9. If Vendor or any officer, director, partner, or other managerial agent of Vendor has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. 30 ILCS 500/50-10.5.
- 6.10. Vendor certifies it is not barred from having a contract with the State based upon violating the prohibitions related to either submitting/writing specifications or providing assistance to an employee of the State of Illinois by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or similar assistance (except as part of a public request for such information). 30 ILCS 500/50-10.5(e), amended by Pub. Act No. 97-0895 (August 3, 2012).
- 6.11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. 30 ILCS 500/50-11, 50-60.
- 6.12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply may result in the contract being declared void. 30 ILCS 500/50-12.
- 6.13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract. 30 ILCS 500/50-14.
- 6.14. Vendor certifies it has neither paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract. 30 ILCS 500/50-25.

- 6.15.** Vendor certifies it is not in violation of the "Revolving Door" provisions of the Illinois Procurement Code. 30 ILCS 500/50-30.
- 6.16.** Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement. 30 ILCS 500/50-38.
- 6.17.** Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers, or employees of the State. 30 ILCS 500/50-40, 50-45, 50-50.
- 6.18.** Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Agency/University grants an exception. 30 ILCS 565.
- 6.19.** Drug Free Workplace
- 6.19.1 If Vendor employs 25 or more employees and this contract is worth more than \$5,000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.
- 6.19.2 If Vendor is an individual and this contract is worth more than \$5000, Vendor certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the contract. 30 ILCS 580.
- 6.20.** Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the United States. Department of Commerce. 30 ILCS 582.
- 6.21.** Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States. 720 ILCS 5/33 E-3, E-4.
- 6.22.** Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, which include providing equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies. 775 ILCS 5/2-105.
- 6.23.** Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club." 775 ILCS 25/2.
- 6.24.** Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor or indentured labor under penal sanction. 30 ILCS 583.
- 6.25.** Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor or any child under the age of 12. 30 ILCS 584.
- 6.26.** Vendor certifies that any violation of the Lead Poisoning Prevention Act, as it applies to owners of residential buildings, has been mitigated. 410 ILCS 45.
- 6.27.** Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or

any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

- 6.28. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at (www.dhs.state.il.us/iitaa) 30 ILCS 587.
- 6.29. Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code. 30 ILCS 500/20-160 and 50-37. Vendor will not make a political contribution that will violate these requirements.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

Vendor is not required to register as a business entity with the State Board of Elections.

or

Vendor has registered with the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

7. FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

Financial Disclosures and Conflicts of Interest forms ("forms") must be accurately completed and submitted by the Vendor, any parent entity(ies) and any subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading, unless otherwise provided. A bid, offer, or proposal that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid, offer, or proposal or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the previously submitted form is no longer accurate, disclosing entities must provide an updated form.

Separate forms are required for the Vendor, any parent entity(ies) and any subcontractors.

Subcontractor forms must be provided with a copy of the subcontract, if required, within 15 days after execution of the State contract or after execution of the subcontract, whichever is later, for all subcontracts with an annual value of more than \$50,000.

This disclosure is submitted for:

- Vendor
- Vendor's Parent Entity(ies) (100% ownership)
- Subcontractor(s) >\$50,000
- Subcontractor's Parent Entity(ies) > \$50,000

Project Name and Illinois Procurement Bulletin Number	Dependent Eligibility Verification Audit, #CIBADEVA01
Vendor Name	Health Management Systems, Inc., a wholly owned subsidiary of HMS Holdings
Doing Business As (DBA)	N/A
Parent Entity	HMS Holdings Corp.
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Corporate Stock (C-Corporation, S-Corporation, Professional Corporation, Service Corporation) C If you selected Other, please describe: N/A

STEP 2
SUPPORTING DOCUMENTATION SUBMITTAL

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation the applicable section requires with this form.

Option 1 – Publicly Traded Entities

1.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

1.B. Attach a copy of the Federal 10-K, and skip to Step 3.

Option 2 – Privately Held Entities with more than 200 Shareholders

2.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

2.B. Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

Option 4 – Foreign Entities

4.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

4.B. Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

Option 5 – Not-for-Profit Entities

Complete Step 2, Option B.

Option 6 – Sole Proprietorships

Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OF BOARD OF DIRECTORS

Complete either Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X			
Name	Address	Percentage of Ownership	\$ Value of Ownership
HMS Holdings Corp..	5615 High Point Drive, Irving TX 75038	100%	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y			
Name	Address	% of Distributive Income	\$ Value of Distributive Income
HMS Holdings Corp..	5615 High Point Drive, Irving, TX 75038	100%	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than \$106,447.20.

Yes No

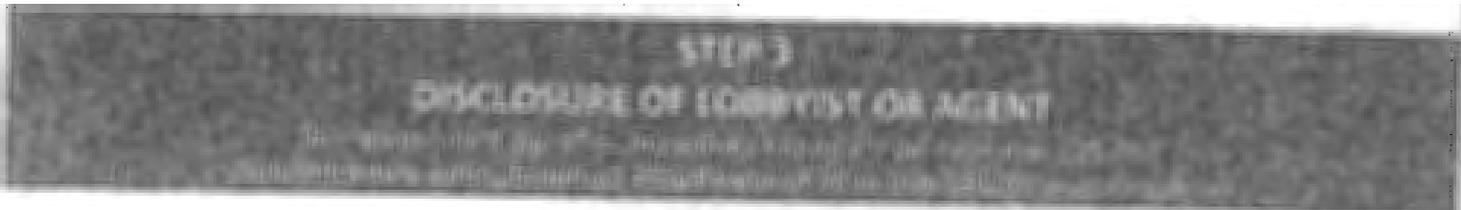
I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than \$106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

Yes No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	Address
Not Applicable	



Yes No. Is your company represented by or do you employ a lobbyist or other agent required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

Name	Address	Relationship to Disclosing Entity
Thomson Weir- Michael Thomson, Michael Weir, and Aaron Chambers	420 West Capitol Avenue, Suite 4, Springfield, IL 62074	Current Lobbyists

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain an Agency/University contract: Engagement began on March 1, 2012. HMS pays Thomson Weir \$5,500 per month. Thomson Weir does not provide services to obtain Agency/University contracts.

**STEP 4
PROHIBITED CONFLICTS OF INTEREST**

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? Yes No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% (\$106,447.20) of the salary of the Governor? Yes No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? Yes No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? Yes No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor (\$177,412.00)? Yes No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% (\$354,824.00) in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor? Yes No

**STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS**

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? Yes No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? Yes No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? Yes No
4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? Yes No
5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that? Yes No
6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? Yes No
7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? Yes No
8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? Yes No
9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No
10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No

STEP 4
EXPLANATION OF ALTERNATIVE RESPONSES

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual. N/A

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: Health Management Systems, Inc. and Thomson Weir Lobbyists

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? Yes No
2. Within the previous ten years, have you had any professional licensure discipline? Yes No
3. Within the previous ten years, have you had any bankruptcies? Yes No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? Yes No
5. Within the previous ten years, have you had any criminal felony convictions? Yes No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. N/A

**STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS**

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, or other ongoing procurement relationships with units of State of Illinois government? Yes No.

If "Yes", please specify below. Attach an additional page in the same format as provided below, if desired.

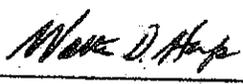
Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
HFS-OIG	Recovery Audit Contract	Contract	\$2,025,000	2011-14-040
HFS-OIG	Inpatient Hospital Reviews	Contract	\$758,000	2009-15-011
HFS-TPL	Third Party Liability Revenue Maximization	Contract	\$500,000	2010-70-001-2

Please explain the procurement relationship: Vendor

**STEP 9
SIGN THE DISCLOSURE**

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: Health Management Systems, Inc.

Signature: 

Date: July 12, 2013

Printed Name: Walter Hosp

Title: EVP, Chief Finance Officer

Phone Number: 212-857-9540

Email Address: WHosp@hms.com

8. DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN

In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 of the Illinois Procurement Code, shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral - extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or
- the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

There are no business operations that must be disclosed to comply with the above cited law.

The following business operations are disclosed to comply with the above cited law:

n/a

**STATE OF ILLINOIS
BUSINESS ASSOCIATES AGREEMENT**

ATTACHMENT BB

THIS AGREEMENT is entered into by and between the State of Illinois, Department of Central Management Services ("Department") and Health Management Systems, Inc. (HMS) ("Vendor"). The Department and Vendor shall be referred to collectively as the Parties.

WHEREAS, in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375), the Department administers the State Employees Group Insurance Program, Teachers' Retirement Insurance Program, College Insurance Program, and Local Government Health Plan, and to the extent of its administration of such group health plans the Department is a Covered Entity as defined by 45 CFR 160.103;

WHEREAS, Vendor has contracted with the Department and is a Business Associate of the Department, as defined by 45 CFR 160.103, with respect to the services provided by Vendor in accordance with the Underlying Contract;

WHEREAS, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), regulates the privacy and security of Protected Health Information, and gives the U.S. Department of Health and Human Services ("HHS") authority to promulgate rules relating to such privacy and security;

WHEREAS, pursuant to its authority granted by HIPAA, HHS has promulgated Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164 ("HIPAA Rules"); and

WHEREAS, the HIPAA Rules generally require that covered entities and business associates enter into agreements to ensure that the business associates will appropriately safeguard protected health information.

NOW THEREFORE, the Department and Vendor hereby agree as follows:

1. Definitions

- 1.1. **Breach.** "Breach" shall have the same meaning as the term "breach" at 45 CFR 164.402.
- 1.2. **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103. In reference to the party to this agreement, "Business Associate" shall mean the Vendor
- 1.3. **Covered Entity.** "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the Department.
- 1.4. **Data Aggregation.** "Data Aggregation" shall have the same meaning as the term "data aggregation" at 45 CFR 164.501.
- 1.5. **Department.** "Department" shall mean the Illinois Department of Central Management Services, or any successor agency designated to administer the Underlying Contract.
- 1.6. **HIPAA Rules.** "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- 1.7. **Individual.** "Individual" shall have the same meaning as the term "individual" at 45 CFR 160.103.
- 1.8. **Protected Health Information (PHI).** "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" at 45 CFR 160.103.
- 1.9. **Required By Law.** "Required By Law" shall have the same meaning as the term "required by law" at 45 CFR 164.103.
- 1.10. **Secretary.** "Secretary" shall have the same meaning as the term "secretary" at 45 CFR 160.103.
- 1.11. **Security Incident.** "Security Incident" shall have the same meaning as the term "security incident" at 45 CFR 164.304.
- 1.12. **Security Rule.** "Security Rule" shall mean Subpart C of 45 CFR Part 164, titled "Security Standards for the Protection of Electronic Protected Health Information."
- 1.13. **Underlying Contract.** "Underlying Contract" shall mean the Contract for Services entered into between the Department and Vendor, as originally executed on July 1, 2013 or as hereinafter amended.

**STATE OF ILLINOIS
BUSINESS ASSOCIATES AGREEMENT**

ATTACHMENT BB

- 1.14. Other. Any terms used in this Agreement but not otherwise defined shall have the same meaning as those terms in the HIPAA Rules.
- 2. Obligations and Activities of Business Associates**
- 2.1. Business Associate agrees to not use or disclose PHI other than as permitted by this Agreement or as Required By Law.
- 2.2. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement, and agrees to comply with the Security Rule with respect to electronic PHI.
- 2.3. Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which Business Associate becomes aware.
- 2.4. Business Associate agrees to report to Covered Entity any Breaches of unsecured PHI as required by 45 CFR 164.410, and any Security Incident of which Business Associate becomes aware.
- 2.4.1. Business Associate agrees to report any Breach or Security Incident to Covered Entity without unreasonable delay and in no event later than ten (10) calendar days after discovery of the Breach or Security Incident. Discovery shall be defined in accordance with 45 CFR 164.410(a)(2).
- 2.4.2. Any report required by this subsection shall include an identification of each individual whose unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used or disclosed during a Breach. Such report shall also include all other available information that is required for notification to Individuals, as set forth in 45 CFR 164.404(c).
- 2.5. Following discovery of a Breach of unsecured PHI, Business Associate agrees to provide, on behalf of Covered Entity, Breach notifications to Individuals, the Secretary, and the media as may be required by 45 CFR 164.404, 45 CFR 164.406, and 45 CFR 164.408. Business Associate shall assume the costs of such breach notification unless otherwise agreed in writing by Covered Entity.
- 2.6. Business Associate agrees to ensure that any agent or subcontractor that creates, receives, maintains, or transmits PHI on behalf of the Business Associate shall agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.
- 2.7. Business Associate agrees to make available PHI in a designated record set to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524.
- 2.7.1. Business Associate agrees to make available PHI in a designated record set to any Individual who requests access to PHI about the Individual directly from Business Associate. Business Associate shall provide such access in accordance with 45 CFR 164.524, including all applicable timeframes for acting on a request for access.
- 2.8. Business Associate agrees to make any amendments to PHI in a designated record set as directed or agreed to by Covered Entity pursuant to 45 CFR 164.526. Business Associate agrees to take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526.
- 2.8.1. Business Associate agrees to allow an Individual to request amendment of PHI about the Individual directly from Business Associate. Business Associate shall comply with 45 CFR 164.526, including all applicable timeframes, when acting on or responding to such a request.
- 2.9. Business Associate agrees to maintain and make available all information required to provide an accounting of disclosures to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528.

**STATE OF ILLINOIS
BUSINESS ASSOCIATES AGREEMENT**

ATTACHMENT BB

- 2.9.1. Business Associate agrees to provide an accounting of disclosures to any Individual requesting such information directly from Business Associate. Business Associate shall provide the accounting of disclosures in accordance with 45 CFR 164.528, including all applicable timeframes for providing the accounting.
- 2.10. To the extent Business Associate carries out Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate agrees to comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.
- 2.10.1. Business Associate shall, if applicable, provide a Notice of Privacy Practices as required by 45 CFR 164.520 to any Individual whose PHI is created or received by Business Associate in carrying out the duties under this Agreement or the Underlying Contract.
- 2.10.2. Business Associate agrees to notify Covered Entity of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent such changes may affect Covered Entity's use or disclosure of PHI.
- 2.10.3. Business Associate shall notify Covered Entity of any restriction to the use or disclosure of PHI that Business Associate has agreed to in accordance with 45 CFR 164.522, to the extent such restriction may affect Covered Entity's use or disclosure of PHI.
- 2.10.4. Business Associate shall maintain confidential addresses or other accommodations as granted by Business Associate or Covered Entity in response to an Individual's request to receive confidential communications in accordance with 45 CFR 164.522.
- 2.10.5. Business Associate will assist the Privacy Officer of the Covered Entity in the exercise of individual rights by Individuals whose PHI is created or received in carrying out the duties under this Agreement or the Underlying Contract.
- 2.10.6. Business Associate shall provide a toll-free telephone number and address for the filing of complaints in accordance with 45 CFR 164.530. Business Associate shall notify Covered Entity of any complaints filed. Covered Entity shall have the right to intervene in the handling of any complaint.
- 2.11. Business Associate agrees to make its internal practices, books, and records, relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity, available to the Secretary and Covered Entity for purposes of determining compliance with the HIPAA Rules.
3. **Permitted Uses and Disclosures by Business Associates**
- 3.1. Except as otherwise specified in this Agreement, Business Associate may only use or disclose PHI as necessary to perform the functions, activities, or services set forth in the Underlying Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity. Business Associate agrees to use and disclose the minimum necessary PHI required for the performance of any such function, activity, or service.
- 3.2. Business Associate may use or disclose PHI as Required By Law.
- 3.3. Business Associate agrees to make uses, disclosures and requests for PHI consistent with Covered Entity's Notice of Privacy Practices and minimum necessary policies and procedures.
- 3.4. Except for the specific uses and disclosures set forth in Subsections 3.5, 3.6, and 3.7, Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity.

**STATE OF ILLINOIS
BUSINESS ASSOCIATES AGREEMENT**

ATTACHMENT BB

- 3.5. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate.
- 3.6. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate, provided the disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as Required By Law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- 3.7. If requested by Covered Entity, Business Associate may use PHI to provide data aggregation services relating to the health care operations of Covered Entity.
- 3.8. Business Associate agrees to not use or disclose PHI created or received in carrying out the duties under this Agreement or the Underlying Contract for marketing purposes, or to seek an authorization from any Individual for the purpose of the use or disclosure of such PHI.
4. **Obligations of Covered Entity**
 - 4.1. Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's Notice of Privacy Practices, to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI.
 - 4.2. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity. Notwithstanding the foregoing, Covered Entity may request Business Associate to use or disclose PHI for data aggregation, or for management, administration and legal responsibilities of Business Associate.
5. **Term and Termination**
 - 5.1. The Term of this Agreement shall be effective as of the date this Agreement is signed by both Parties, and shall terminate upon the termination of the Underlying Contract, or on the date Covered Entity terminates this Agreement for cause as set forth in Section 5.2, whichever is sooner.
 - 5.2. If Covered Entity determines that Business Associate has violated or breached a material term of this Agreement, Covered Entity may, at its sole discretion:
 - 5.2.1. Provide Business Associate with an opportunity to cure the violation or breach within a timeframe specified by Covered Entity; or
 - 5.2.2. Immediately terminate this Agreement and the Underlying Contract.
 - 5.3. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, shall:
 - 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration, or to carry out its legal responsibilities;
 - 5.3.2. Return to Covered Entity, all PHI, not covered by Section 5.3.1, that Business Associate still maintains in any form, or, if requested by Covered Entity, transmit such PHI to another business associate of Covered Entity;
 - 5.3.3. Obtain or ensure the destruction of PHI created, received, or maintained by subcontractors of Business Associate as a result of services performed pursuant to this Agreement or the Underlying Contract;

**STATE OF ILLINOIS
BUSINESS ASSOCIATES AGREEMENT**

ATTACHMENT BB

- 5.3.4. Continue to use appropriate safeguards and comply with the Security Rule with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
- 5.3.5. Not use or disclose any PHI retained by Business Associate, other than for the purposes for which such PHI was retained, and subject to the same conditions set forth in Section 3.5 and Section 3.6 of this Agreement which applied prior to termination;
- 5.3.6. Return to Covered Entity any PHI retained by Business Associate when such PHI is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

5.4. The rights and obligations of Business Associate under this Section shall survive the termination of this Agreement.

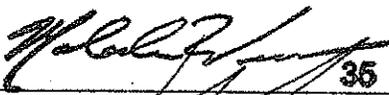
6. Miscellaneous

- 6.1. The Parties are independent contractors, and no agency, partnership, joint venture or employee-employer relationship is intended or created by this Agreement, other than as may have been expressly set forth in the Underlying Contract.
- 6.2. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 6.3. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- 6.4. Any ambiguity in this Agreement shall be resolved to permit compliance with the HIPAA Rules.
- 6.5. This Agreement shall be governed by the laws of the State of Illinois.
- 6.6. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

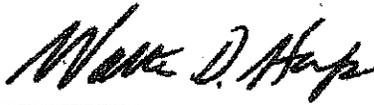
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates mentioned below.

ILLINOIS DEPARTMENT OF
CENTRAL MANAGEMENT SERVICES

VENDOR NAME



Authorized Signature



Authorized Signature

Malcolm Weems
Printed Name
Janice L. Bonneville
Deputy Director, Benefits

Walter Hosp
Printed Name

Director
Title

EVP, Chief Finance Officer
Title

7/30/13
Date

July 12, 2013
Date

**STATE OF ILLINOIS
TRADING PARTNER AGREEMENT**

ATTACHMENT CC

System Capabilities: Vendor is considered a 'Trading Partner' in relation to the electronic communication of information, as follows:

- A. Communication of Dependents to be Verified** – The Agency shall provide an electronic file of Dependents to be verified. Separate files shall be provided for Dependents in each Plan. The Vendor shall have processing procedures in place to ensure files are received and processed timely and shall immediately report to the Agency any failure to receive or process a file.
- B. Files to be Provided By Vendor** – The Vendor shall provide the following files to the Agency:
1. **Weekly Files of Completed Cases** - The Vendor shall provide the Agency with a weekly file of dependent verification cases that have been completed. The file shall be provided at the beginning of each week for the preceding week. The file shall provide the Agency with the following information:
 - a) the Vendor's verification determination: Dependent has been verified, an extension of time has been granted, or Dependent is no longer eligible and coverage should be terminated (terminations provided on last weekly file);
 - b) the types of notices issued to the Member (First Notice, Reminder Notice, Pre-Termination Notice, Extension Notice);
 - c) what documentation, if any, was provided by the Member and used for the determination;
 - d) reason an extension of time was provided; and
 - e) any updated Dependent Social Security numbers.
 2. **Coverage Termination File** – At the end of the verification period for each group, the Vendor shall provide the Agency with a file of Dependents for which coverage should be terminated for failure to provide sufficient documentation.
 3. Scanned copies of all documentation received.
- C. File Formats** – All files, both inbound and outbound, shall be provided in proprietary file formats determined by the Agency.
- D. Method of File Transfer** – The Vendor agrees to accept the Agency's standard method of providing data electronically. The Agency's standard protocol for connectivity is TCP/IP and the standard method for file transmission is Secure Socket Layer (FTPSSL) or Virtual Private Network (VPN) Transfer Protocol with the Vendor retrieving data from the Agency rather than the Agency transmitting data to the Vendor. The Agency reserves the right to upgrade file transfer methods with prior notification to the Vendor for the current file transmission options of VPN and FTPSSL.
- E. Equipment Cost and Routine System Maintenance** – The Vendor shall, at its own expense, obtain and maintain its own Operating System necessary for timely, complete, accurate and secure transmission of data pursuant to this Agreement. The Vendor shall pay its own costs for any and all charges related to Data Transmission under this Agreement, including, without limitation, charges for the Vendor's own operating system equipment, software and services, maintaining an electronic mailbox, connection time, terminals, connections, modems and applicable minimum use charges. The Vendor shall be responsible for its own expenses incurred for the translating and formatting of data. The expense of sending or receiving communications over the electronic network to any electronic mailbox of the Agency shall be borne by the Vendor. The Vendor shall absorb the cost of routine maintenance, inclusive of defect correction, system changes required to effect changes in State and federal statute and regulations, and production control activities, of all systems within its span of control.

**STATE OF ILLINOIS
TRADING PARTNER AGREEMENT**

ATTACHMENT CC

F. Privacy and Security of Data – The Vendor shall be responsible for the preservation, privacy, and security of data in its possession, including data in transmissions retrieved from the Agency. The Vendor agrees:

- 1. Not to copy, disclose, publish, distribute, or alter any data, data transmissions, or control structure applied to the transmissions, or use them for any purpose other than the purpose for which the Vendor was given specific access and authorization by the Agency;**
- 2. Not to obtain access to any data or transmission by any means or for any purpose other than as the Agency has expressly authorized the Vendor;**
- 3. If the Vendor receives data not intended for the receipt of the Vendor, the Vendor shall immediately notify the Agency to arrange for its return or re-transmission as directed by the Agency. After such return or re-transmission, the Vendor shall immediately delete all copies of such data remaining in its possession;**
- 4. To protect and maintain the confidentiality of authentication and authorization mechanisms issued to the Vendor by the Agency;**
- 5. To restrict access to information obtained in relation to this contract to only individuals responsible for the administration of the information obtained pursuant to the contract, to limit access to system functions based on an individual user profiles, i.e. inquiry only or update capability and have procedures, measures and technical security in place to prohibit unauthorized access of the data communications network inside the Vendor's span of control; and**
- 6. To incorporate audit trails into all systems to allow information on source data files and documents to be traced through the processing stages to the point where the final information is recorded. The audit trail must contain a unique log-on ID (or batch update identifier), terminal ID, date and time of any create/modify/delete action and, if applicable, the ID of the system job affected by the action, have the ability to trace data from the final place of recording back to the source data file, document or both.**

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

Financial Disclosures and Conflicts of Interest forms ("forms") must be accurately completed and submitted by the vendor, any parent entity(ies) and any subcontractors. There are nine steps to this form and each must be completed as instructed in the step heading, unless otherwise provided. A bid, offer, or proposal that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid, offer, or proposal or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the previously submitted form is no longer accurate, disclosing entities must provide an updated form.

Separate forms are required for the vendor, any parent entity(ies) and any subcontractors.

Subcontractor forms must be provided with a copy of the subcontract, if required, within 15 days after execution of the State contract or after execution of the subcontract, whichever is later, for all subcontracts with an annual value of more than \$50,000.

This disclosure is submitted for:

- Vendor
- Vendor's Parent Entity(ies) (100% ownership)
- Subcontractor(s) >\$50,000
- Subcontractor's Parent Entity(ies) > \$50,000

Project Name and Illinois Procurement Bulletin Number	CIBADEVA01 Dependent Eligibility Verification Audit IPB 20029332
Vendor Name	Health Management Systems, Inc. , a wholly owned subsidiary of HMS Holdings Corp.
Doing Business As (DBA)	N/A
Parent Entity	HMS Holdings Corp.
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Corporate Stock (C-Corporation, S-Corporation, Professional Corporation, Service Corporation) <input checked="" type="checkbox"/> If you selected Other, please describe: C- Corp

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation the applicable section requires with this form.

Option 1 – Publicly Traded Entities

1.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

1.B. Attach a copy of the Federal 10-K, and skip to Step 3.

Option 2 – Privately Held Entities with more than 200 Shareholders

2.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

2.B. Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

Option 4 – Foreign Entities

4.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

4.B. Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

Option 5 – Not-for-Profit Entities

Complete Step 2, Option B.

Option 6 – Sole Proprietorships

Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OF BOARD OF DIRECTORS

Complete either Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X			
Name	Address	Percentage of Ownership	\$ Value of Ownership
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y			
Name	Address	% of Distributive Income	\$ Value of Distributive Income
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than \$106,447.20.

Yes No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than \$106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

Yes No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	Address
N/A	N/A



Yes No. Is your company represented by or do you employ a lobbyist or other agent required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

Name	Address	Relationship to Disclosing Entity
Thomson Weir- Michael Thomson, Michael Weir, and Aaron Chambers	420 West Capitol Avenue, Suite 4, Springfield, IL 62074	Current Lobbyists

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain an Agency/University contract: Engagement began on March 1, 2012. HMS pays Thomson Weir \$5,500 per month. Thomson Weir does not provide services to obtain Agency/University contracts.

**STEP 4
PROHIBITED CONTACTS OF INTEREST**

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? Yes No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% (\$106,447.20) of the salary of the Governor? Yes No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? Yes No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? Yes No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor (\$177,412.00)? Yes No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% (\$354,824.00) in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor? Yes No

**STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS**

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? Yes No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? Yes No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? Yes No
4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? Yes No
5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that? Yes No
6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? Yes No
7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? Yes No
8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? Yes No
9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No
10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No

STEP 6
EXPLANATION OF ALTERNATIVE RESPONSES

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

**STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATIVE TO DEBARMENT & LEGAL PROCEEDINGS**

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: HMS Holdings and Thomson Weir, Lobbying Firm

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? Yes No
2. Within the previous ten years, have you had any professional licensure discipline? Yes No
3. Within the previous ten years, have you had any bankruptcies? Yes No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? Yes No
5. Within the previous ten years, have you had any criminal felony convictions? Yes No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. N/A

**STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS**

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, or other ongoing procurement relationships with units of State of Illinois government? Yes No.

If "Yes", please specify below. Attach an additional page in the same format as provided below, if desired.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
HFS-OIG	Recovery Audit Contractor	Contract	\$2,025,000	2011-14-040
HFS-TPL	Third Party Liability Revenue Maximization	Contract	\$500,000	2012-70-0001-2
HFS-OIG	Diagnosis Related Grouping Audits	Contract	\$758,000	2009-15-11

Please explain the procurement relationship: Parent Entity



This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: HMS Holdings, Corp.



Walter D. Hosp

Date: July 12, 2013

Printed Name: Walter Hosp

Title: EVP, Chief Finance Officer

Phone Number: 212-857-9540

Email Address: kglenn@hms.com

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 12608

Health Management Systems, Inc.

401 Park Ave South

New York NY 10016

Information for this business last updated on:

Friday, December 07, 2012

Certificate produced on Friday, December 07, 2012 at 10:33 AM



**ECONOMIC DISCLOSURE STATEMENT
AND EXECUTION DOCUMENT
INDEX**

Section	Description	Pages
Instructions	Instructions for Completion of EDS	EDS i - ii
1	MBE/WBE Utilization Plan	EDS 1
2	Letter of Intent	EDS 2
3	Petition for Reduction/Waiver of MBE/WBE Participation Goals	EDS 3
4	Certifications	EDS 4, 5
5	Economic and Other Disclosures, Affidavit of Child Support Obligations and Disclosure of Ownership Interest	EDS 6 – 12
6	Sole Proprietor Signature Page	EDS 13a/b/c
7	Partnership Signature Page	EDS 14/a/b/c
8	Limited Liability Corporation Signature Page	EDS 15a/b/c
9	Corporation Signature Page	EDS 16a/b/c
10	Cook County Signature Page	EDS 17

**INSTRUCTIONS FOR COMPLETION OF
ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT**

This Economic Disclosure Statement and Execution Document ("EDS") is to be completed and executed by every Bidder on a County contract, every party responding to a Request for Proposals or Request for Qualifications ("Proposer"), and others as required by the Chief Procurement Officer. If the Undersigned is awarded a contract pursuant to the procurement process for which this EDS was submitted (the "Contract"), this Economic Disclosure Statement and Execution Document shall stand as the Undersigned's execution of the Contract.

Definitions. Capitalized terms used in this EDS and not otherwise defined herein shall have the meanings given to such terms in the Instructions to Bidders, General Conditions, Request for Proposals, Request for Qualifications, or other documents, as applicable.

"Affiliated Entity" means a person or entity that, directly or indirectly: controls the Bidder, is controlled by the Bidder, or is, with the Bidder, under common control of another person or entity. Indicia of control include, without limitation, interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; and organization of a business entity following the ineligibility of a business entity to do business with the County under the standards set forth in the Certifications included in this EDS, using substantially the same management, ownership or principals as the ineligible entity.

"Bidder," "Proposer," "Undersigned," or "Applicant," is the person or entity executing this EDS. Upon award and execution of a Contract by the County, the Bidder, Proposer, Undersigned or Applicant, as the case may be, shall become the Contractor or Contracting Party.

"Proposal," for purposes of this EDS, is the Undersigned's complete response to an RFP/RFQ, or if no RFQ/RFP was issued by the County, the "Proposal" is such other proposal, quote or offer submitted by the Undersigned, and in any event a "Proposal" includes this EDS.

"Code" means the Code of Ordinances, Cook County, Illinois available through the Cook County Clerk's Office website (<http://www.cookctyclerk.com/sub/ordinances.asp>). This page can also be accessed by going to www.cookctyclerk.com, clicking on the tab labeled "County Board Proceedings," and then clicking on the link to "Cook County Ordinances."

"Contractor" or "Contracting Party" means the Bidder, Proposer or Applicant with whom the County has entered into a Contract.

"EDS" means this complete Economic Disclosure Statement and Execution Document, including all sections listed in the Index and any attachments.

"Lobby" or "lobbying" means to, for compensation, attempt to influence a County official or County employee with respect to any County matter.

"Lobbyist" means any person or entity who lobbies.

"Prohibited Acts" means any of the actions or occurrences which form the basis for disqualification under the Code, or under the Certifications hereinafter set forth.

Sections 1 through 3: MBE/WBE Documentation. Sections 1 and 2 must be completed in order to satisfy the requirements of the County's MBE/WBE Ordinance, as set forth in the Contract Documents, if applicable. If the Undersigned believes a waiver is appropriate and necessary, Section 3, the Petition for Waiver of MBE/WBE Participation must be completed.

Section 4: Certifications. Section 4 sets forth certifications that are required for contracting parties under the Code. Execution of this EDS constitutes a warranty that all the statements and certifications contained, and all the facts stated, in the Certifications are true, correct and complete as of the date of execution.

Section 5: Economic and Other Disclosures Statement. Section 5 is the County's required Economic and Other Disclosures Statement form. Execution of this EDS constitutes a warranty that all the information provided in the EDS is true, correct and complete as of the date of execution, and binds the Undersigned to the warranties, representations, agreements and acknowledgements contained therein.

**INSTRUCTIONS FOR COMPLETION OF
ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT**

Sections 6, 7, 8, 9: Execution Forms. The Bidder executes this EDS, and the Contract, by completing and signing three copies of the appropriate Signature Page. Section 6 is the form for a sole proprietor; Section 7 is the form for a partnership or joint venture; Section 8 is the form for a Limited Liability Corporation, and Section 9 is the form for a corporation. Proper execution requires **THREE ORIGINALS**; therefore, the appropriate Signature Page must be filled in, three copies made, and all three copies must be properly signed, notarized and submitted. The forms may be printed and completed by typing or hand writing the information required.

Required Updates. The information provided in this EDS will be kept current. In the event of any change in any information provided, including but not limited to any change which would render inaccurate or incomplete any certification or statement made in this EDS, the Undersigned will supplement this EDS up to the time the County takes action, by filing an amended EDS or such other documentation as is requested.

Additional Information. The County's Governmental Ethics and Campaign Financing Ordinances, impose certain duties and obligations on persons or entities seeking County contracts, work, business, or transactions. For further information please contact the Director of Ethics at (312) 603-4304 (69 W. Washington St. Suite 3040, Chicago, IL 60602) or visit our web-site at www.cookcountygov.com and go to the Ethics Department link. The Bidder must comply fully with the applicable ordinances.

MBE/WBE UTILIZATION PLAN (SECTION 1)

BIDDER/PROPOSER HEREBY STATES that all MBE/WBE firms included in this Plan are certified MBEs/WBEs by at least one of the entities listed in the General Conditions.

I. BIDDER/PROPOSER MBE/WBE STATUS: (check the appropriate line)

- Bidder/Proposer is a certified MBE or WBE firm. (If so, attach copy of appropriate Letter of Certification)
- Bidder/Proposer is a Joint Venture and one or more Joint Venture partners are certified MBEs or WBEs. (If so, attach copies of Letter(s) of Certification, a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the Joint Venture and a completed Joint Venture Affidavit – available from the Office of Contract Compliance)
- Bidder/Proposer is not a certified MBE or WBE firm, nor a Joint Venture with MBE/WBE partners, but will utilize MBE and WBE firms either directly or indirectly in the performance of the Contract. (If so, complete Sections II and III).

II. Direct Participation of MBE/WBE Firms Indirect Participation of MBE/WBE Firms

Where goals have not been achieved through direct participation, Bidder/Proposer shall include documentation outlining efforts to achieve Direct Participation at the time of Bid/Proposal submission. Indirect Participation will only be considered after all efforts to achieve Direct Participation have been exhausted. Only after written documentation of Good Faith Efforts is received will Indirect Participation be considered.

MBEs/WBEs that will perform as subcontractors/suppliers/consultants include the following:

MBE/WBE Firm: Advantage Marketing Group

Address: 1550 Howard St. Elk Grove, IL 60007

E-mail: phermann@amg ltd. com

Contact Person: Patricia Herrmann Phone: 847-952-2100 Ext. 22

Dollar Amount Participation: \$ @ \$35,000 (approximately)

Percent Amount of Participation: approximately 25% %

*Letter of Intent attached? Yes No
*Letter of Certification attached? Yes No

MBE/WBE Firm: _____

Address: _____

E-mail: _____

Contact Person: _____ Phone: _____

Dollar Amount Participation: \$ _____

Percent Amount of Participation: _____ %

*Letter of Intent attached? Yes _____ No _____
*Letter of Certification attached? Yes _____ No _____

Attach additional sheets as needed.

***Additionally, all Letters of Intent, Letters of Certification and documentation of Good Faith Efforts omitted from this bid/proposal must be submitted to the Office of Contract Compliance so as to assure receipt by the Contract Compliance Administrator not later than three (3) business days after the Bid Opening date.**

COOK COUNTY GOVERNMENT LETTER OF INTENT (SECTION 2)

M/WBE Firm: Advantage Marketing Group Ltd. Certifying Agency: WBENC
Address: 1550 Howard St. Certification Expiration Date: 10/15/2015
City/State: Elk Grove IL Zip: 60007 FEIN #: 36-3997862
Phone: (847) 952-2111 ext. 225 Fax: (847) 952-3348 Contact Person: Patricia Hermann
Email: phermann@amg ltd. com Contract #: 2005113984

Participation: Direct Indirect

Will the M/WBE firm be subcontracting any of the performance of this contract to another firm?

No Yes - Please attach explanation. Proposed Subcontractor: _____

The undersigned M/WBE is prepared to provide the following Commodities/Services for the above named Project/ Contract:

outbound mail full fillment
Printing, Address verification

Indicate the Dollar Amount, or Percentage, and the Terms of Payment for the above-described Commodities/ Services:

25%
NET 30

(If more space is needed to fully describe M/WBE Firm's proposed scope of work and/or payment schedule, attach additional sheets)

THE UNDERSIGNED PARTIES AGREE that this Letter of Intent will become a binding Subcontract Agreement conditioned upon the Bidder/Proposer's receipt of a signed contract from the County of Cook. The Undersigned Parties do also certify that they did not affix their signatures to this document until all areas under Description of Service/ Supply and Fee/Cost were completed.

Patricia A. Hermann
Signature (M/WBE)

Douglas Williams
Signature (Prime Bidder/Proposer)

Patricia A. Hermann
Print Name

DOUGLAS WILLIAMS
Print Name

Advantage Marketing Group Ltd
Firm Name

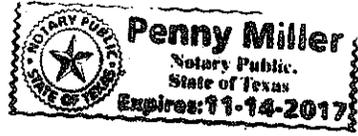
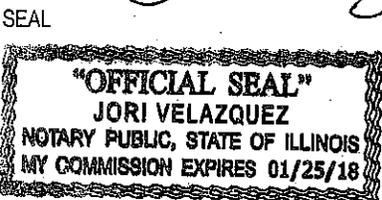
HMS Health management Systems, Inc.
Firm Name

4/20/15
Date

4/17/15
Date

Subscribed and sworn before me
this 20th day of April, 2015
Notary Public Jori Velazquez

Subscribed and sworn before me
this 17th day of April, 2015
Notary Public Penny Miller



PETITION FOR WAIVER OF MBE/WBE PARTICIPATION (SECTION 3)

A. BIDDER/PROPOSER HEREBY REQUESTS:

FULL MBE WAIVER FULL WBE WAIVER

REDUCTION (PARTIAL MBE and/or WBE PARTICIPATION)

_____ % of Reduction for MBE Participation
_____ % of Reduction for WBE Participation

B. REASON FOR FULL/REDUCTION WAIVER REQUEST

Bidder/Proposer shall check each item applicable to its reason for a waiver request. Additionally, supporting documentation shall be submitted with this request. If such supporting documentation cannot be submitted with bid/proposal/quotation, such documentation shall be submitted directly to the Office of Contract Compliance no later than three (3) days from the date of submission date.

- (1) Lack of sufficient qualified MBEs and/or WBEs capable of providing the goods or services required by the contract. (Please explain)
- (2) The specifications and necessary requirements for performing the contract make it impossible or economically infeasible to divide the contract to enable the contractor to utilize MBEs and/or WBEs in accordance with the applicable participation. (Please explain)
- (3) Price(s) quoted by potential MBEs and/or WBEs are above competitive levels and increase cost of doing business and would make acceptance of such MBE and/or WBE bid economically impracticable, taking into consideration the percentage of total contract price represented by such MBE and/or WBE bid. (Please explain)
- (4) There are other relevant factors making it impossible or economically infeasible to utilize MBE and/or WBE firms. (Please explain)

C. GOOD FAITH EFFORTS TO OBTAIN MBE/WBE PARTICIPATION

- (1) Made timely written solicitation to identified MBEs and WBEs for utilization of goods and/or services; and provided MBEs and WBEs with a timely opportunity to review and obtain relevant specifications, terms and conditions of the proposal to enable MBEs and WBEs to prepare an informed response to solicitation. (Please attach)
- (2) Followed up initial solicitation of MBEs and WBEs to determine if firms are interested in doing business. (Please attach)
- (3) Advertised in a timely manner in one or more daily newspapers and/or trade publication for MBEs and WBEs for supply of goods and services. (Please attach)
- (4) Used the services and assistance of the Office of Contract Compliance staff. (Please explain)
- (5) Engaged MBEs & WBEs for indirect participation. (Please explain)

D. OTHER RELEVANT INFORMATION

Attach any other documentation relative to Good Faith Efforts in complying with MBE/WBE participation.

Good faith efforts

HMS was alerted that the MBE partner that was selected for the Cook County Dependent Audit engagement would not meet the MBE requirement because their certification came from the State of IL and not Cook County or the City of Chicago.

This was not expected as the County is utilizing the State's contract to avoid the administrative burden associated with a full procurement and also to enjoy the very attractive per unit pricing allowed for the much larger state population.

The process to have the selected MBE certified (beyond the State's certification) by the County or the City is time consuming and the county is interested in completing the project prior to open enrollment. The county's internal goal is to have the final report available by August 8th, 2015.

Conservative estimates suggest that each month of delay is costing the publically funded health plan approximately \$450,000.

HMS has made a good faith effort to find a suitable locally certified MBE (Cook County or Chicago) alternative and has determined, due to several factors (detailed below) that a waiver for the requirement will be a more expedient and ultimately beneficial solution for the Cook County project in this instance.

Please note that HMS still intends to utilize MBE assistance in the fulfillment of the contract. The same MBE that is certified by the state and that is currently partnering with HMS to fulfill the State's contract.

While there were several locally certified MBE's that could potentially fulfill the contract none were able to meet all of the prerequisite standards such that HMS would feel comfortable extending the service level guarantees or security standards outlined in the original state contract.

The ability to print large quantity, individually customized mail pieces is not the difficult part.

The chosen vendor must be able to coordinate with our internal system to create and deploy five disparate on demand specialized responses in addition the larger full population mailings.

The chosen vendor must be able to imbed an employee specific scan able bar code on each mail piece.

The chosen vendor must be able to accept the initial and subsequent date feeds in Pipe Delimited format and also demonstrate that the data is being received and submitted via a fully secure platform (Electronic Data Interchange).

The chosen vendor must have SSAE 16 or similar certification for storage of PII

Vendor	Contact	Date Contacted	Comments
A Media	Julio Abreu	5/6/2015	Design Firm only, no ability to print internally or execute fulfillment, Julio offered to work up a proposal using additional subcontractors. Not feasible
Caldwell Letter	Will Perry	5/6/2015	Competitively priced for print and fulfillment service, set-up of system interface will be time consuming and new letter templates will have to be created. HMS has not performed due diligence of this vendor and would not be able to extend service level guarantees or attest to security standards.
Consolidated Printing	Jennifer.Poaletti	5/6/2015	No bid, too complicated
Creative Printing Services		5/6/2015	Published phone # is out of service and URL listed is for sale. No Bid
Cushing and Company		5/6/2015	No Bid Submitted
D & D (DDI Printing)		5/6/2015	No Bid Submitted
Daniels Printing	Pan Vaclav	5/6/2015	Daniels cannot accept the Pipe Delimited Format (common issue)
Fidelity	Bernard Williams	5/6/2015	Print Pricing is competitive, however must utilize another vendor for fulfillment. Not feasible
Grace Enterprises	Titus Eapen	5/6/2015	Bid Submitted pricing OK, template set-up and design required. This is costly and time consuming. Preferred vendor has this complete. Same concerns about system integration, security and performance standards. This process directly involves interaction with County Employees. HMS does not want to move forward with an unknown entity.
Hill Rawls		5/6/2015	Phone # out of service....URL disabled
Universal Printing		5/6/2015	Constant Busy Signal@312-243-0303, Web Site submission not responded to. Not a good sign for a potential partner
Prodigy Mailing		5/6/2015	Phone # on Cook County and Client Site are different neither work.

CERTIFICATIONS (SECTION 4)

THE FOLLOWING CERTIFICATIONS ARE MADE PURSUANT TO STATE LAW AND THE CODE. THE UNDERSIGNED IS CAUTIONED TO CAREFULLY READ THESE CERTIFICATIONS PRIOR TO SIGNING THE SIGNATURE PAGE. SIGNING THE SIGNATURE PAGE SHALL CONSTITUTE A WARRANTY BY THE UNDERSIGNED THAT ALL THE STATEMENTS, CERTIFICATIONS AND INFORMATION SET FORTH WITHIN THESE CERTIFICATIONS ARE TRUE, COMPLETE AND CORRECT AS OF THE DATE THE SIGNATURE PAGE IS SIGNED. THE UNDERSIGNED IS NOTIFIED THAT IF THE COUNTY LEARNS THAT ANY OF THE FOLLOWING CERTIFICATIONS WERE FALSELY MADE, THAT ANY CONTRACT ENTERED INTO WITH THE UNDERSIGNED SHALL BE SUBJECT TO TERMINATION.

A. PERSONS AND ENTITIES SUBJECT TO DISQUALIFICATION

No person or business entity shall be awarded a contract or sub-contract, for a period of five (5) years from the date of conviction or entry of a plea or admission of guilt, civil or criminal, if that person or business entity:

- 1) Has been convicted of an act committed, within the State of Illinois, of bribery or attempting to bribe an officer or employee of a unit of state, federal or local government or school district in the State of Illinois in that officer's or employee's official capacity;
- 2) Has been convicted by federal, state or local government of an act of bid-rigging or attempting to rig bids as defined in the Sherman Anti-Trust Act and Clayton Act. Act. 15 U.S.C. Section 1 *et seq.*;
- 3) Has been convicted of bid-rigging or attempting to rig bids under the laws of federal, state or local government;
- 4) Has been convicted of an act committed, within the State, of price-fixing or attempting to fix prices as defined by the Sherman Anti-Trust Act and the Clayton Act. 15 U.S.C. Section 1, *et seq.*;
- 5) Has been convicted of price-fixing or attempting to fix prices under the laws the State;
- 6) Has been convicted of defrauding or attempting to defraud any unit of state or local government or school district within the State of Illinois;
- 7) Has made an admission of guilt of such conduct as set forth in subsections (1) through (6) above which admission is a matter of record, whether or not such person or business entity was subject to prosecution for the offense or offenses admitted to; or
- 8) Has entered a plea of *nolo contendere* to charge of bribery, price-fixing, bid-rigging, or fraud, as set forth in sub-paragraphs (1) through (6) above.

In the case of bribery or attempting to bribe, a business entity may not be awarded a contract if an official, agent or employee of such business entity committed the Prohibited Act on behalf of the business entity and pursuant to the direction or authorization of an officer, director or other responsible official of the business entity, and such Prohibited Act occurred within three years prior to the award of the contract. In addition, a business entity shall be disqualified if an owner, partner or shareholder controlling, directly or indirectly, 20 % or more of the business entity, or an officer of the business entity has performed any Prohibited Act within five years prior to the award of the Contract.

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned has read the provisions of Section A, Persons and Entities Subject to Disqualification, that the Undersigned has not committed any Prohibited Act set forth in Section A, and that award of the Contract to the Undersigned would not violate the provisions of such Section or of the Code.

B. BID-RIGGING OR BID ROTATING

THE UNDERSIGNED HEREBY CERTIFIES THAT: *In accordance with 720 ILCS 5/33 E-11, neither the Undersigned nor any Affiliated Entity is barred from award of this Contract as a result of a conviction for the violation of State laws prohibiting bid-rigging or bid rotating.*

C. DRUG FREE WORKPLACE ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned will provide a drug free workplace, as required by Public Act 86-1459 (30 ILCS 580/2-11).

D. DELINQUENCY IN PAYMENT OF TAXES

THE UNDERSIGNED HEREBY CERTIFIES THAT: *The Undersigned is not an owner or a party responsible for the payment of any tax or fee administered by Cook County, by a local municipality, or by the Illinois Department of Revenue, which such tax or fee is delinquent, such as bar award of a contract or subcontract pursuant to the Code, Chapter 34, Section 34-129.*

E. HUMAN RIGHTS ORDINANCE

No person who is a party to a contract with Cook County ("County") shall engage in unlawful discrimination or sexual harassment against any individual in the terms or conditions of employment, credit, public accommodations, housing, or provision of County facilities, services or programs (Code Chapter 42, Section 42-30 *et seq*).

F. ILLINOIS HUMAN RIGHTS ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: *It is in compliance with the the Illinois Human Rights Act (775 ILCS 5/2-105), and agrees to abide by the requirements of the Act as part of its contractual obligations.*

G. MACBRIDE PRINCIPLES, CODE CHAPTER 34, SECTION 34-132

If the primary contractor currently conducts business operations in Northern Ireland, or will conduct business during the projected duration of a County contract, the primary contractor shall make all reasonable and good faith efforts to conduct any such business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390.

H. LIVING WAGE ORDINANCE PREFERENCE (COOK COUNTY CODE, CHAPTER 34, SECTION 34-127;

The Code requires that a living wage must be paid to individuals employed by a Contractor which has a County Contract and by all subcontractors of such Contractor under a County Contract, throughout the duration of such County Contract. The amount of such living wage is determined from time to time by, and is available from, the Chief Financial Officer of the County.

For purposes of this EDS Section 4, H, "Contract" means any written agreement whereby the County is committed to or does expend funds in connection with the agreement or subcontract thereof. The term "Contract" as used in this EDS, Section 4, I, specifically excludes contracts with the following:

- 1) Not-For Profit Organizations (defined as a corporation having tax exempt status under Section 501(C)(3) of the United State Internal Revenue Code and recognized under the Illinois State not-for-profit law);
- 2) Community Development Block Grants;
- 3) Cook County Works Department;
- 4) Sheriff's Work Alternative Program; and
- 5) Department of Correction inmates.

REQUIRED DISCLOSURES (SECTION 5)

1. DISCLOSURE OF LOBBYIST CONTACTS

List all persons or entities that have made lobbying contacts on your behalf with respect to this contract:

Name	Address
N/A	
<hr/>	
<hr/>	
<hr/>	

2. LOCAL BUSINESS PREFERENCE DISCLOSURE; CODE, CHAPTER 34, SECTION 34-151(p);

"Local Business" shall mean a person authorized to transact business in this State and having a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County, including a foreign corporation duly authorized to transact business in this State and which has a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County.

a) Is Bidder a "Local Business" as defined above?
Yes: _____ No: X

b) If yes, list business addresses within Cook County:

c) Does Bidder employ the majority of its regular full-time workforce within Cook County?
Yes: _____ No: X

3. THE CHILD SUPPORT ENFORCEMENT ORDINANCE (PREFERENCE (CODE, CHAPTER 34, SECTION 34-366)

Every Applicant for a County Privilege shall be in full compliance with any child support order before such Applicant is entitled to receive or renew a County Privilege. When delinquent child support exists, the County shall not issue or renew any County Privilege, and may revoke any County Privilege.

All Applicants are required to review the Cook County Affidavit of Child Support Obligations attached to this EDS (EDS-8) and complete the following, based upon the definitions and other information included in such Affidavit.

4. REAL ESTATE OWNERSHIP DISCLOSURES.

The Undersigned must indicate by checking the appropriate provision below and providing all required information that either:

- a) The following is a complete list of all real estate owned by the Undersigned in Cook County:

PERMANENT INDEX NUMBER(S): _____

(ATTACH SHEET IF NECESSARY TO LIST ADDITIONAL INDEX NUMBERS)

OR:

- b) The Undersigned owns no real estate in Cook County.

5. EXCEPTIONS TO CERTIFICATIONS OR DISCLOSURES.

If the Undersigned is unable to certify to any of the Certifications or any other statements contained in this EDS and not explained elsewhere in this EDS, the Undersigned must explain below:

If the letters, "NA", the word "None" or "No Response" appears above, or if the space is left blank, it will be conclusively presumed that the Undersigned certified to all Certifications and other statements contained in this EDS.

COOK COUNTY DISCLOSURE OF OWNERSHIP INTEREST STATEMENT

The Cook County Code of Ordinances (§2-610 *et seq.*) requires that any Applicant for any County Action must disclose information concerning ownership interests in the Applicant. This Disclosure of Ownership Interest Statement must be completed with all information current as of the date this Statement is signed. Furthermore, this Statement must be kept current, by filing an amended Statement, until such time as the County Board or County Agency shall take action on the application. The information contained in this Statement will be maintained in a database and made available for public viewing.

If you are asked to list names, but there are no applicable names to list, you must state NONE. An incomplete Statement will be returned and any action regarding this contract will be delayed. A failure to fully comply with the ordinance may result in the action taken by the County Board or County Agency being voided.

"Applicant" means any Entity or person making an application to the County for any County Action.

"County Action" means any action by a County Agency, a County Department, or the County Board regarding an ordinance or ordinance amendment, a County Board approval, or other County agency approval, with respect to contracts, leases, or sale or purchase of real estate.

"Entity" or "Legal Entity" means a sole proprietorship, corporation, partnership, association, business trust, estate, two or more persons having a joint or common interest, trustee of a land trust, other commercial or legal entity or any beneficiary or beneficiaries thereof.

This Disclosure of Ownership Interest Statement must be submitted by :

1. An Applicant for County Action and
2. An individual or Legal Entity that holds stock or a beneficial interest in the Applicant and is listed on the Applicant's Statement (a "Holder") must file a Statement and complete #1 only under **Ownership Interest Declaration**.

Please print or type responses clearly and legibly. Add additional pages if needed, being careful to identify each portion of the form to which each additional page refers.

This Statement is being made by the Applicant or Stock/Beneficial Interest Holder

This Statement is an: Original Statement or Amended Statement

Identifying Information:

Name Health Management Systems, Inc. D/B/A: _____ EIN NO.: _____

Street Address: 5015 High Point Drive

City: Irving State: TX Zip Code: 75038

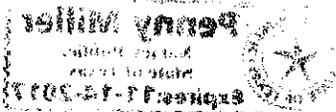
Phone No.: 214-453-3000

Form of Legal Entity:

Sole Proprietor Partnership Corporation Trustee of Land Trust

Business Trust Estate Association Joint Venture

Other (describe) _____



Ownership Interest Declaration:

1. List the name(s), address, and percent ownership of each individual and each Entity having a legal or beneficial interest (including ownership) of more than five percent (5%) in the Applicant/Holder.

Name	Address	Percentage Interest in Applicant/Holder
NONE		

2. If the interest of any individual or any Entity listed in (1) above is held as an agent or agents, or a nominee or nominees, list the name and address of the principal on whose behalf the interest is held.

Name of Agent/Nominee	Name of Principal	Principal's Address
NONE		

3. Is the Applicant constructively controlled by another person or Legal Entity? [] Yes [] No
If yes, state the name, address and percentage of beneficial interest of such person or legal entity, and the relationship under which such control is being or may be exercised.

Name	Address	Percentage of Beneficial Interest	Relationship
NONE			

Declaration (check the applicable box):

[] I state under oath that the Applicant has withheld no disclosure as to ownership interest in the Applicant nor reserved any information, data or plan as to the intended use or purpose for which the Applicant seeks County Board or other County Agency action.

[] I state under oath that the Holder has withheld no disclosure as to ownership interest nor reserved any information required to be disclosed.

Douglas Williams
Name of Authorized Applicant/Holder Representative (please print or type)

Douglas Williams
Signature

douglas.williams@hms.com
E-mail address

Division President
Title

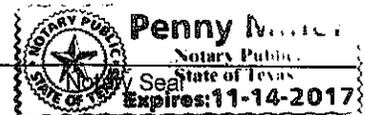
4/17/15
Date

972.916.2650
Phone Number

Subscribed to and sworn before me
this 17th day of April 2015

My commission expires:

x Penny Miller
Notary Public Signature





COOK COUNTY BOARD OF ETHICS

69 W. WASHINGTON STREET, SUITE 3040

CHICAGO, ILLINOIS 60602

312/603-4304

312/603-9988 FAX 312/603-1011 TT/TDD

FAMILIAL RELATIONSHIP DISCLOSURE PROVISION:

Section 2-582 of the Cook County Ethics Ordinance requires any person or persons doing business with Cook County, upon execution of a contract with Cook County, to disclose to the Cook County Board of Ethics the existence of familial relationships they may have with all persons holding elective office in the State of Illinois, the County of Cook, or in any municipality within the County of Cook.

The disclosure required by this section shall be filed by January 1 of each calendar year or within thirty (30) days of the execution of any contract or lease. Any person filing a late disclosure statement after January 31 shall be assessed a late filing fee of \$100.00 per day that the disclosure is late. Any person found guilty of violating any provision of this section or knowingly filing a false, misleading, or incomplete disclosure to the Cook County Board of Ethics shall be prohibited, for a period of three (3) years, from engaging, directly or indirectly, in any business with Cook County. *Note:* Please see Chapter 2 Administration, Article VII Ethics, Section 2-582 of the Cook County Code to view the full provisions of this section.

If you have questions concerning this disclosure requirement, please call the Cook County Board of Ethics at (312) 603-4304. *Note:* A current list of contractors doing business with Cook County is available via the Cook County Board of Ethics' website at: http://www.cookcountygov.com/taxonomy/ethics/Listings/cc_ethics_VendorList_.pdf

DEFINITIONS:

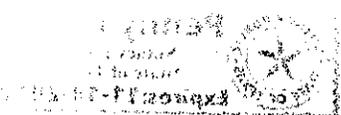
"Calendar year" means January 1 to December 31 of each year.

"Doing business" for this Ordinance provision means any one or any combination of leases, contracts, or purchases to or with Cook County or any Cook County agency in excess of \$25,000 in any calendar year.

"Familial relationship" means a person who is related to an official or employee as spouse or any of the following, whether by blood, marriage or adoption:

- Parent
- Child
- Brother
- Sister
- Aunt
- Uncle
- Niece
- Nephew
- Grandparent
- Grandchild
- Father-in-law
- Mother-in-law
- Son-in-law
- Daughter-in-law
- Brother-in-law
- Sister-in-law
- Stepfather
- Stepmother
- Stepson
- Stepdaughter
- Stepsister
- Half-brother
- Half-sister

"Person" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, and whether or not operated for profit.



SWORN FAMILIAL RELATIONSHIP DISCLOSURE FORM

Pursuant to Section 2-582 of the Cook County Ethics Ordinance, any person* doing business* with Cook County must disclose, to the Cook County Board of Ethics, the existence of familial relationships* to any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County. Please print your responses.

Name of Owner/Employee: See Attached Title: President & CEO

Business Entity Name: Health Management Systems, Inc Phone: 214.453.3000

Business Entity Address: 5615 High Point Dr. Irving, Tx 75038

_____ The following familial relationship exists between the owner or any employee of the business entity contracted to do business with Cook County and any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

Owner/Employee Name:	Related to:	Relationship:
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

If more space is needed, attach an additional sheet following the above format.

There is *no* familial relationship that exists between the owner or any employee of the business entity contracted to do business with Cook County and any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

To the best of my knowledge and belief, the information provided above is true and complete.

President
& CEO
William Lucia
Owner/Employee's Signature

4-24-15
Date

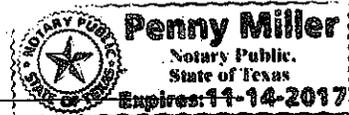
Subscribe and sworn before me this 24th Day of April, 2015

a Notary Public in and for Dallas County

Penny Miller
(Signature)

NOTARY PUBLIC
SEAL

My Commission expires _____



Completed forms must be filed within 30 days of the execution of any contract or lease with Cook County and should be mailed to:

Cook County Board of Ethics
69 West Washington Street,
Suite 3040
Chicago, Illinois 60602

Attachment to EDS-12, SWORN FAMILIAL RELATIONSHIP DISCLOSURE FORM

The contract is between Cook County, IL and Health Management Systems, Inc. on behalf of itself, its subsidiaries and its corporate affiliates ("HMS"). As a public company HMS has no familial relationships to any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County. Brent Sanders, the contract signatory and John Webb, the lead Sales person for this contract have no familial relationships to any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

HEALTH MANAGEMENT SYSTEMS, INC, INCORPORATED IN NEW YORK AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON FEBRUARY 22, 1991, AND MUST CONDUCT ALL BUSINESS IN THIS STATE UNDER THE ASSUMED NAME OF THIRD PARTY LIABILITY RECOVERY SERVICES, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of MARCH A.D. 2015

Jesse White

Authentication #: 1508502302

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

SIGNATURE BY A CORPORATION
(SECTION 9)

The Undersigned hereby certifies and warrants: that all of the statements, certifications, and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all of the facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege.

BUSINESS NAME: Health Management Systems, Inc.

BUSINESS ADDRESS: 5615 High Point Dr Irving, Tx 75038

BUSINESS TELEPHONE: 214.453.3000 FAX NUMBER: _____

CONTACT PERSON: _____

FEIN: _____ *IL CORPORATE FILE NUMBER: _____

LIST THE FOLLOWING CORPORATE OFFICERS:

PRESIDENT: William Lucia

VICE PRESIDENT: Douglas Williams

SECRETARY: Eugene V Defelice

TREASURER: Jeffrey Sherman

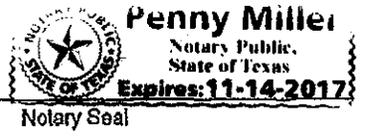
**SIGNATURE OF PRESIDENT: *William Lucia*

ATTEST: *Penny Miller* (CORPORATE SECRETARY)

Subscribed and sworn to before me this
24th day of April, 2015

x *Penny Miller*
Notary Public Signature

My commission expires:



* If the corporation is not registered in the State of Illinois, a copy of the Certificate of Good Standing from the state of incorporation must be submitted with this Signature Page.

** In the event that this Signature Page is signed by any persons than the President and Secretary, attach either a certified copy of the corporate by-laws, resolution or other authorization by the corporation, authorizing such persons to sign the Signature Page on behalf of the corporation.

Section 9: Signature by a Corporation

List the Following Corporate Officers:

Name	Title
DeFelice, Eugene V.	Director
Lucia, William C.	Director
Lucia, William C.	President & Chief Executive Officer
DeFelice, Eugene V.	EVP, General Counsel & Corporate Secretary
Nustad, Cynthia	EVP, Chief Information Officer
Sherman, Jeffrey S.	EVP, Chief Financial Officer & Treasurer
South, Tracy A.	Chief Administrative Officer and EVP, Human Resources
Wagner, Semone	EVP, Operations
Williams, Douglas	Division President, Markets
Donabauer, Joseph	SVP, Controller
Young, Spencer	SVP, Clinical Operations
Day, Kimberly J.	Assistant Secretary
Roque, Criselda H.	Assistant Secretary & Associate General Counsel

COOK COUNTY SIGNATURE PAGE
(SECTION 10)

ON BEHALF OF THE COUNTY OF COOK, A BODY POLITIC AND CORPORATE OF THE STATE OF ILLINOIS, THIS CONTRACT IS HEREBY EXECUTED BY:

Shannon E. Andriewolfe
COOK COUNTY CHIEF PROCUREMENT OFFICER

DATED AT CHICAGO, ILLINOIS THIS 18th DAY OF May, 2015.

IN THE CASE OF A BID PROPOSAL, THE COUNTY HEREBY ACCEPTS:

THE FOREGOING BID/PROPOSAL AS IDENTIFIED IN THE CONTRACT DOCUMENTS FOR CONTRACT NUMBER

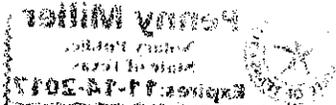
1530-14427

OR

ITEM(S), SECTION(S), PART(S): _____

TOTAL AMOUNT OF CONTRACT: \$ 145,000.00
(DOLLARS AND CENTS)

FUND CHARGEABLE: _____



APPROVED AS TO FORM:
Not Required
ASSISTANT STATE'S ATTORNEY
(Required on contracts over \$1,000,000.00)