



Request for Quotes (RFQ)

Surgical Center of Excellence (COE)

	Date	Time
Due Date For Questions Refer to RFQ Section 2.1 for more information.	8/1/2025	5:00 PM ET
Quote Submission Date Refer to RFQ Section 3 for more information.	8/29/2025	5:00 PM ET

Dates are subject to change. All times contained in the RFQ refer to Eastern Time (ET).

Request for Quotes Issued By:

State of New Jersey
Department of the Treasury
Division of Pensions and Benefits
50 West State Street
Trenton, NJ 08625-0230

Date: July 15, 2025

TABLE OF CONTENTS

1	INTRODUCTION AND SUMMARY OF THE REQUEST FOR QUOTES	1
1.1	PURPOSE, INTENT AND BACKGROUND	1
1.2	ORDER OF PRECEDENCE OF CONTRACTUAL TERMS	1
2	PRE-QUOTE SUBMISSION INFORMATION	3
2.1	QUESTION AND ANSWER PERIOD	3
2.2	EXCEPTIONS TO THE STATE OF NEW JERSEY COMBINED STANDARD TERMS AND CONDITIONS (SSTC)	3
2.3	BID AMENDMENTS	3
3	QUOTE SUBMISSION REQUIREMENTS	4
3.1	QUOTE SUBMISSION	4
3.2	BIDDER RESPONSIBILITY	4
3.3	BIDDER ADDITIONAL TERMS SUBMITTED WITH THE QUOTE	4
3.4	QUOTE CONTENT	4
3.5	FORMS, REGISTRATIONS AND CERTIFICATIONS TO BE SUBMITTED WITH QUOTE	4
3.5.1	OWNERSHIP DISCLOSURE FORM	4
3.5.2	DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM	5
3.5.3	DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING BIDDER FORM	5
3.5.4	MACBRIDE PRINCIPLES FORM	5
3.5.5	SERVICE PERFORMANCE WITHIN THE UNITED STATES	5
3.5.6	CONFIDENTIALITY/COMMITMENT TO DEFEND	5
3.5.7	SUBCONTRACTOR UTILIZATION FORM	6
3.5.8	AFFIRMATIVE ACTION	7
3.5.9	CHAPTER 271 VENDOR CERTIFICATION AND POLITICAL DISCLOSURE FORM	7
3.5.10	STATE OF NEW JERSEY SECURITY DUE DILIGENCE THIRD-PARTY INFORMATION SECURITY QUESTIONNAIRE	7
3.5.11	BUSINESS REGISTRATION	8
3.5.12	CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS	8
3.5.14	STATE OF NEW JERSEY COMBINED STANDARD TERMS AND CONDITIONS	8
3.6	TECHNICAL QUOTE	8
3.7	MANAGEMENT OVERVIEW	8
3.8	CONTRACT MANAGEMENT	8
3.9	CONTRACT SCHEDULE	8
3.10	MOBILIZATION PLAN	9
3.11	ORGANIZATIONAL EXPERIENCE	9
3.12	LOCATION	9
3.13	ORGANIZATION CHARTS	9
3.14	RESUMES	9
3.15	EXPERIENCE WITH CONTRACTS OF SIMILAR SIZE AND SCOPE	10
3.16	FINANCIAL CAPABILITY OF THE BIDDER	10
3.17	STATE-SUPPLIED PRICE SHEET INSTRUCTIONS	10
3.17.1	USE OF "NO BID" ON THE STATE-SUPPLIED PRICE SHEET	11
3.17.2	USE OF "NO CHARGE" ON THE STATE-SUPPLIED PRICE SHEET	11
4	SCOPE OF WORK	12
4.1	NETWORK/CLAIMS/INVOICES	12
4.1.1	CLAIM/INVOICES ADMINISTRATION	ERROR! BOOKMARK NOT DEFINED.
4.1.2	MEMBER SERVICES	ERROR! BOOKMARK NOT DEFINED.
4.1.3	COMMUNICATIONS	ERROR! BOOKMARK NOT DEFINED.
4.1.4	ACCOUNT MANAGEMENT	ERROR! BOOKMARK NOT DEFINED.
4.1.5	NETWORK MANAGEMENT	16
4.1.6	PROVIDER NETWORK ACCESS STANDARDS AND QUALITY ASSURANCE	19
4.1.7	HEALTH MANAGEMENT	19
4.1.8	HIPAA COMPLIANCE	19
4.1.9	PPACA COMPLIANCE	20
4.1.10	OPEN ENROLLMENT AND ELIGIBILITY	20
4.1.11	FINANCIAL ACCOUNTING	20
4.1.12	START-UP	21
4.1.13	AUDITS	22
4.1.14	RECORD RETENTION	23

4.1.15	RATE RENEWAL AND REVISION SERVICES	24
4.1.16	REPORTING REQUIREMENTS	24
4.1.17	FINANCIAL REPORTS	26
4.1.18	FINANCIAL GUARANTEES	26
4.1.19	ADMINISTRATIVE FEE REQUIREMENTS	26
5	GENERAL CONTRACT TERMS	27
5.1	CONTRACT TERM AND EXTENSION OPTION	27
5.2	CONTRACT TRANSITION	27
5.3	OWNERSHIP OF MATERIAL	27
5.4	SUBSTITUTION OF STAFF	28
5.5	ELECTRONIC PAYMENTS	28
6	DATA SECURITY REQUIREMENTS – CONTRACTOR RESPONSIBILITY	29
6.1	INFORMATION SECURITY PROGRAM MANAGEMENT	29
6.2	COMPLIANCE	29
6.3	PERSONNEL SECURITY	29
6.4	SECURITY AWARENESS AND TRAINING	29
6.5	RISK MANAGEMENT	30
6.6	PRIVACY	30
6.7	ASSET MANAGEMENT	31
6.8	SECURITY CATEGORIZATION	31
6.9	MEDIA PROTECTION	31
6.10	CRYPTOGRAPHIC PROTECTIONS	32
6.11	ACCESS MANAGEMENT	32
6.12	IDENTITY AND AUTHENTICATION	32
6.13	REMOTE ACCESS	32
6.14	SECURITY ENGINEERING AND ARCHITECTURE	33
6.15	CONFIGURATION MANAGEMENT	33
6.16	ENDPOINT SECURITY	33
6.17	ICS/SCADA/OT SECURITY	33
6.18	INTERNET OF THINGS SECURITY	34
6.19	VULNERABILITY AND PATCH MANAGEMENT	34
6.20	MOBILE DEVICE SECURITY	34
6.21	NETWORK SECURITY	34
6.22	CLOUD SECURITY	35
6.23	CHANGE MANAGEMENT	35
6.24	MAINTENANCE	35
6.25	THREAT MANAGEMENT	35
6.26	CONTINUOUS MONITORING	35
6.27	SYSTEM DEVELOPMENT AND ACQUISITION	35
6.28	PROJECT AND RESOURCE MANAGEMENT	36
6.29	CAPACITY AND PERFORMANCE MANAGEMENT	36
6.30	THIRD PARTY MANAGEMENT	36
6.31	PHYSICAL AND ENVIRONMENTAL SECURITY	36
6.32	CONTINGENCY PLANNING	37
6.33	INCIDENT RESPONSE	37
6.34	TAX RETURN DATA SECURITY	37
7	MODIFICATIONS TO THE STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS	38
7.1	INSURANCE	38
7.1.1	PROFESSIONAL LIABILITY INSURANCE	38
7.1.2	CYBER BREACH INSURANCE	38
7.1.3	LIMITATION OF LIABILITY OPTIONS	38
8	QUOTE EVALUATION AND AWARD	39
8.1	RECIPROCITY FOR JURISDICTIONAL BIDDER PREFERENCE	39
8.2	CLARIFICATION OF QUOTE	39
8.3	TIE QUOTES	39
8.4	STATE'S RIGHT TO CHECK REFERENCES	39
8.5	EVALUATION CRITERIA	39
8.5.1	TECHNICAL EVALUATION CRITERIA	39

8.5.2	PRICE EVALUATION.....	40
8.6	QUOTE DISCREPANCIES	40
8.7	BEST AND FINAL OFFER (BAFO).....	40
8.8	NEGOTIATION.....	40
8.9	POOR PERFORMANCE	40
8.10	CONTRACT AWARD	41
9	GLOSSARY	42
9.1	DEFINITIONS.....	42
9.2	CONTRACT SPECIFIC DEFINITIONS	46
Exhibit 1- Surgery COE Performance Guarantees		

1 INTRODUCTION AND SUMMARY OF THE REQUEST FOR QUOTES

This Request for Quotes (RFQ) is issued by Department of the Treasury, Division of Pensions and Benefits (DPB). The Contract will be awarded in the State of New Jersey's eProcurement system, **NJSTART** (www.njstart.gov).

1.1 PURPOSE, INTENT AND BACKGROUND

The purpose of this RFQ is to solicit Quotes from qualified Bidders to administer the Surgical Center of Excellence (COE) pilot program. The intent of the program is to contain rising healthcare costs of certain costly, non-emergent procedures, with the least possible disruption to members and without posing undue implementation challenges within the current State Health Benefits Plan (SHBP) structure.

The State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers. The SHBP was created in 1961 to provide quality health care coverage for public employees on a cost-effective basis. All SHBP plans, with the exception of Medicare Advantage plans, are self-funded. The State Health Benefits Commission (SHBC) contracts with third-party claims administrators (TPA) to administer the claims for the SHBP's plans. The SHBP currently offers the following preferred provider organization (PPO) plans administered by Horizon Blue Cross Blue Shield and Aetna: (a) NJ Direct 10 and Freedom 10; (b) NJ Direct 15 and Freedom 15; (c) NJ Direct 1525 and Freedom 1525 (d) NJ Direct 2030 and Freedom 2030; (e) NJ Direct 2035 and Freedom 2035; (f) CWA Unity DIRECT and CWA Unity Freedom; (g) CWA Unity DIRECT2019 and CWA Unity Freedom 2019; (h) NJ DIRECT and Freedom; and (i) NJ DIRECT2019 and Freedom 2019. More information on these plans and their structure can be found by visiting: <https://www.nj.gov/treasury/pensions/hb-active-shbp.shtml>.

The SHBP Plan Design Committee (SHBP PDC) formed a subgroup to research and evaluate the benefits and feasibility of reference-based pricing (RBP) program concepts, with the goal of developing an RBP pilot program for the SHBP. The objectives of the SHBP PDC in considering a RBP pilot program for the SHBP were to 1) contain costs for the SHBP and its members, while also 2) minimizing significant member disruption; and 3) enhance the quality of care and improve the medical outcomes.

The SHBP Plan Design Committee's objective for the pilot program is to establish a Surgical Centers of Excellence (COE) model that will help to contain rising healthcare costs of certain costly, nonemergent procedures. The Resolution (#2024-7) of the State Health Benefits Plan Design Committee to Create a Centers of Excellence Pilot Program is available at:

<https://www.nj.gov/treasury/pensions/documents/hb/Resolutions/SHBP-PDC/2024-7-centers-of-excellence.pdf>.

It is the intent of the State to award a Contract to that responsible Bidder whose Quote, conforming to this RFQ is most advantageous to the State of New Jersey (State), price and other factors considered. The State may award any or all price lines. The State, however, reserves the right to separately procure individual requirements that are the subject of the Contract during the Contract term, when deemed to be in the State's best interest.

The State of New Jersey Combined Standard Terms and Conditions (SSTCs) included with this RFQ will apply to all Contracts made with the State. These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise.

1.2 ORDER OF PRECEDENCE OF CONTRACTUAL TERMS

The Contract awarded, and the entire agreement between the parties, as a result of this RFQ shall consist of: (1) the final RFQ, (2) State of New Jersey Standard Terms and Conditions, and (3) the Quote. In the event of a conflict in the terms and conditions among the documents comprising this Contract, the order of precedence, for purposes of interpretation thereof, shall be as listed from highest ranking to lowest ranking as noted above.

Any other terms or conditions, not included with the Bidder's Quote and accepted by the State, shall not be incorporated into the Contract awarded. Any references to external documentation, including those documents referenced by a URL, including without limitation, additional fees, technical reference manuals, technical support policies, copyright notices, additional license terms, etc., are subject to the terms and conditions of the RFQ and the State of New Jersey Standard

Terms and Conditions. In the event of any conflict between the terms of a document incorporated by reference, the terms and conditions of the RFQ and the State of New Jersey Standard Terms and Conditions shall prevail.

2 PRE-QUOTE SUBMISSION INFORMATION

The Bidder assumes sole responsibility for the complete effort required in submitting a Quote and for reviewing the Quote submission requirements and the Scope of Work requirements.

2.1 QUESTION AND ANSWER PERIOD

The DPB will electronically accept questions and inquiries from all potential Bidders. Questions should be directly tied to the RFQ and asked in consecutive order, from beginning to end, following the organization of the RFQ.

A Bidder shall submit questions only to DPB by email DPBCOESolicitation@treas.nj.gov. The DPB will not accept any question in person or by telephone concerning this RFQ. The cut-off date for electronic questions and inquiries relating to this RFQ is indicated on the RFQ cover sheet. In the event that questions are posed by Bidders, answers to such questions will be issued by Addendum. Any Addendum to this RFQ will become part of this RFQ and part of any Contract awarded as a result of this RFQ. Any addendum to this RFQ, if any, will be communicated via email.

2.2 EXCEPTIONS TO THE STATE OF NEW JERSEY COMBINED STANDARD TERMS AND CONDITIONS (SSTC)

Questions regarding the State of New Jersey Standard Terms and Conditions and exceptions to mandatory requirements should be posed during the Electronic Question and Answer period and shall contain the Bidder's suggested changes and the reason(s) for the suggested change(s).

2.3 BID AMENDMENTS

In the event that it becomes necessary to clarify or revise this RFQ, such clarification or revision will be by Bid Amendment. Any Bid Amendment will become part of this RFQ and part of any Contract awarded. Bid Amendments will be emailed to all bidders. There are no designated dates for release of Bid Amendments. It is the sole responsibility of the Bidder to be knowledgeable of all Bid Amendments related to this RFQ.

3 QUOTE SUBMISSION REQUIREMENTS

3.1 QUOTE SUBMISSION

In order to be considered for award, the Quote must be received by the DPB at DPBCOESolicitation@treas.nj.gov, by the required date and time indicated on the RFQ cover sheet. If the Quote opening deadline has been revised, the new Quote opening deadline shall be shown on the posted Bid Amendment. Quotes not received prior to the Quote opening deadline shall be rejected.

3.2 BIDDER RESPONSIBILITY

The Bidder assumes sole responsibility for the complete effort required in submitting a Quote in response to this RFQ via DPBCOESolicitation@treas.nj.gov. No special consideration will be given after Quotes are opened because of a Bidder's failure to be knowledgeable as to all of the requirements of this RFQ. The State assumes no responsibility and bears no liability for costs incurred by a Bidder in the preparation and submittal of a Quote in response to this RFQ or any pre-contract award costs incurred.

3.3 BIDDER ADDITIONAL TERMS SUBMITTED WITH THE QUOTE

A Bidder may submit additional terms as part of its Quote. Additional terms are Bidder-proposed terms or conditions that do not conflict with the scope of work required in this RFQ, the terms and conditions of this RFQ, or the State of New Jersey Standard Terms and Conditions. Bidder proposed terms or conditions that conflict with those contained in the State of New Jersey Standard Terms and Conditions may render a Quote non-responsive. It is incumbent upon the Bidder to identify and remove its conflicting proposed terms and conditions prior to Quote submission.

3.4 QUOTE CONTENT

The Quote should be submitted with the attachments organized in the following manner:

- Forms
- Technical Quote
- State-Supplied Price Sheet
- State of New Jersey Security Due Diligence Third Party Information Security Questionnaire

A Bidder should not password protect any submitted documents. Use of URLs in a Quote should be kept to a minimum and shall not be used to satisfy any material term of a RFQ. If a preprinted or other document included as part of the Quote contains a URL, a printed copy of the information should be provided and will be considered as part of the Quote.

3.5 FORMS, REGISTRATIONS AND CERTIFICATIONS TO BE SUBMITTED WITH QUOTE

A Bidder is required to complete and submit the following forms.

3.5.1 [OWNERSHIP DISCLOSURE FORM](#)

Pursuant to N.J.S.A. 52:25-24.2, in the event the Bidder is a corporation, partnership or limited liability company, the Bidder must disclose all 10% or greater owners by (a) completing and submitting the Ownership Disclosure Form with the Quote; (b) if the Bidder has submitted a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the Quote submission deadline for this procurement, the DPB may rely upon that form; however, if there has been a change in ownership within the last six (6) months, a new Ownership Disclosure Form must be completed, signed and submitted with the Quote; or, (c) a Bidder with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2.

A Bidder's failure to submit the information required by N.J.S.A. 52:25-24.2 will result in the rejection of the Quote as non-responsive and preclude the award of a Contract to said Bidder.

3.5.2 DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM

The Bidder should submit Disclosure of Investment Activities in Iran form to certify that, pursuant to N.J.S.A. 52:32-58, neither the Bidder, nor one (1) of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither the Bidder, nor one (1) of its parents, subsidiaries, and/or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Bidder is unable to so certify, the Bidder shall provide a detailed and precise description of such activities as directed on the form. If a Bidder does not submit the form with the Quote, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive.

3.5.3 DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING BIDDER FORM

The Bidder should submit the Disclosure of Investigations and Other Actions Involving Bidder Form, with its Quote, to provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years, including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. If a Bidder does not submit the form with the Quote, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive.

3.5.4 MACBRIDE PRINCIPLES FORM

The Bidder should submit the MacBride Principles Form. Pursuant to N.J.S.A. 52:34-12.2, a Bidder is required to certify that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles. If a Bidder does not submit the form with the Quote, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive.

3.5.5 SERVICE PERFORMANCE WITHIN THE UNITED STATES

The Bidder should submit a completed Source Disclosure Form. Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services shall be performed within the United States. If a Bidder does not submit the form with the Quote, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive.

3.5.6 CONFIDENTIALITY/COMMITMENT TO DEFEND

Pursuant to the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1 et seq., or the common law right to know, Quotes can be released to the public in accordance with N.J.A.C. 17:12-1.2(b) and (c).

The Bidder should submit a completed and signed Confidentiality/Commitment to Defend Form with the Quote. In the event that the Bidder does not submit the Confidentiality form with the Quote, the State reserves the right to request that the Bidder submit the form after Quote submission.

After the opening of sealed Quotes, all information submitted by a Bidder in response to a RFQ is considered public information notwithstanding any disclaimers to the contrary submitted by a Bidder. Proprietary, financial, security and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Bidder has a good faith, legal/factual basis for such assertion.

When the RFQ contains a negotiation component, the Quote will not be subject to public disclosure until a notice of intent to award a Contract is announced.

As part of its Quote, a Bidder may request that portions of the Quote be exempt from public disclosure under OPRA and/or the common law. The Bidder must provide a detailed statement clearly identifying those sections of the Quote that it claims are exempt from production, and the legal and factual basis that supports said exemption(s) as a matter of law. The State will not honor any attempts by a Bidder to designate its State-Supplied Price Sheet, Price List/Catalog, and/or the entire Quote as proprietary and/or confidential, and/or to claim copyright protection for its entire Quote. If the State

does not agree with a Bidder's designation of proprietary and/or confidential information, the State will use commercially reasonable efforts to advise the Bidder. Copyright law does not prohibit access to a record which is otherwise available under OPRA.

The State reserves the right to make the determination as to what to disclose in response to an OPRA request. Any information that the State determines to be exempt from disclosure under OPRA will be redacted.

In the event of any challenge to the Bidder's assertion of confidentiality that is contrary to the State's determination of confidentiality, the Bidder shall be solely responsible for defending its designation, but in doing so, all costs and expenses associated therewith shall be the responsibility of the Bidder. The State assumes no such responsibility or liability.

In order not to delay consideration of the Quote or the State's response to a request for documents, the State requires that Bidder respond to any request regarding confidentiality markings within the timeframe designated in the State's correspondence regarding confidentiality. If no response is received by the designated date and time, the State will be permitted to release a copy of the Quote with the State making the determination regarding what may be proprietary or confidential.

3.5.7 SUBCONTRACTOR UTILIZATION FORM

Bidders intending to use Subcontractor(s) shall list all Subcontractors on the Subcontractor Utilization Plan form.

For a Quote that does NOT include the use of any Subcontractors, the Bidder is automatically certifying that, if selected for an award, the Bidder will be performing all work required by the Contract.

If it becomes necessary for the Contractor to substitute a Subcontractor, add a Subcontractor, or substitute its own staff for a Subcontractor, the Contractor will identify the proposed new Subcontractor or staff member(s) and the work to be performed. The Contractor shall forward a written request to substitute or add a Subcontractor or to substitute its own staff for a Subcontractor to the State Contract Manager for consideration. The Contractor must provide a completed Subcontractor Utilization Plan, a detailed justification documenting the necessity for the substitution or addition, and resumes of its proposed replacement staff or of the proposed Subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the Subcontractor is to undertake. The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the Contractor in its Quote. The State Contract Manager will forward the request to the Director for approval.

Note: No substituted or additional Subcontractors are authorized to begin work until the Contractor has received written approval from the State of New Jersey.

3.5.9 PAY TO PLAY PROHIBITIONS

Prior to awarding any Contract or agreement to any Business Entity, the Business Entity proposed as the intended Contractor of the Pursuant to N.J.S.A. 19:44A-20.13 et seq. (P.L.2005, c.51, rev. P.L.2023, c.30), and Executive Order 333 (2023), the State shall not enter into a Contract to procure services or any material, supplies or equipment, or to acquire, sell, or lease any land or building from any Business Entity, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a Continuing Political Committee or to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor during certain specified time periods. It shall be a breach of the terms of the contract for the Business Entity to:

- (1) Make or solicit a contribution in violation of the statute;
- (2) Knowingly conceal or misrepresent a contribution given or received;
- (3) Make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- (4) Make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor;
- (5) Engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would

make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation;

- (6) Fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- (7) Engage in any exchange of contributions to circumvent the intent of the Legislation; or
- (8) Directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the Contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Division of Purchase and Property's website at <http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>.

3.5.8 AFFIRMATIVE ACTION

The intended Contractor and its named Subcontractors must submit a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. If the Contractor and/or its named Subcontractors are not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval, it/they must complete and submit the Affirmative Action Employee Information Report (AA-302). Information, instruction and the application are available at

https://www.state.nj.us/treasury/contract_compliance/index.shtml.

3.5.9 CHAPTER 271 VENDOR CERTIFICATION AND POLITICAL DISCLOSURE FORM

The Bidder should complete and submit the Chapter 271 Vendor Certification and Political Contribution Disclosure Form. At least ten (10) days prior to entering into the above-referenced Contract, the Vendor/Bidder must complete this Certification and Political Contribution Disclosure Form in accordance with the directions on the form and submit it to the State contact for the referenced Contract.

3.5.10 STATE OF NEW JERSEY SECURITY DUE DILIGENCE THIRD-PARTY INFORMATION SECURITY QUESTIONNAIRE

The Bidder should complete and submit the State of New Jersey Security Due Diligence Third-Party Information Security Questionnaire (Questionnaire) with its Quote. If a Bidder does not submit the completed Questionnaire with the Quote, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive.

This Questionnaire is designed to provide the State with an overview of the Bidder's security and privacy controls to ensure that the Bidder will (1) meet the State of New Jersey's objectives as outlined and documented in the Statewide Information Security Manual; and (2) comply with the State's security requirements as outlined in *Section 6 – Data Security Requirements – Contractor Responsibility*. The State reserves the right to remove a Bidder from consideration of Contract award if the State determines that the Bidder's Questionnaire failed to sufficiently convey that the Bidder's security and privacy controls meet the State's requirements.

The State has executed a Confidentiality/Non-Disclosure Agreement which is attached to the Questionnaire. The Bidder should countersign the Confidentiality/Non-Disclosure Agreement and include it with its submitted Questionnaire. If a Bidder does not submit the signed Confidentiality/Non-Disclosure Agreement with the Questionnaire, the Bidder must comply within seven (7) Business Days of the State's request or the State may deem the Quote non-responsive. No amendments to Confidentiality/Non-Disclosure Agreement are permitted.

To the extent permissible under OPRA, the New Jersey common law right to know, and any other lawful document request or subpoena, the completed Questionnaire and supplemental documentation provided by the Bidder will be kept confidential and not shared with the public or other Bidders.

3.5.11 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractors must have a valid Business Registration Certificate (“BRC”) issued by the Department of the Treasury, Division of Revenue and Enterprise Services prior to the award of a Contract. A Bidder should verify its Business Registration Certification Active status on the “Maintain Terms and Categories” Tab within its profile in [NJSTART](#). In the event of an issue with a Bidder’s Business Registration Certification Active status, [NJSTART](#) provides a link to take corrective action.

3.5.12 CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS

The Bidder should submit the Certification of Non-Involvement in Prohibited Activities in Russia or Belarus Form. Pursuant to P.L.2022, c.3, a person or entity seeking to enter into or renew a contract for the provision of goods or services shall certify that it is not Engaging in Prohibited Activities in Russia or Belarus as defined by P.L.2002, c.3, sec. 1(e). If a Bidder does not submit the form with the Quote, the Bidder must comply within seven (7) Business Days of the State’s request or the State may deem the Quote non-responsive.

3.5.14 STATE OF NEW JERSEY COMBINED STANDARD TERMS AND CONDITIONS

A Bidder should include a signed and dated copy of the form within its response to this RFQ.

3.6 TECHNICAL QUOTE

The Bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work. The Bidder should set forth its understanding of the requirements of this RFQ and its approach to successfully complete the Contract. The Bidder should include the level of detail it determines necessary to assist the Evaluation Committee in its review of the Bidder’s Quote.

3.7 MANAGEMENT OVERVIEW

The Bidder should set forth its overall technical approach and plans to meet the requirements of the RFQ in a narrative format. This narrative should demonstrate to the Evaluation Committee that the Bidder understands the objectives that the Contract is intended to meet, the nature of the required work, and the level of effort necessary to successfully complete the Contract. The narrative should demonstrate that the Bidder’s approach and plans to undertake and complete the Contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFQ tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder’s approach to complete the Contract. The Bidder’s response to this section should demonstrate to the Evaluation Committee that the Bidder’s detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate, and that the Bidder’s Quote will lead to successful Contract completion.

3.8 CONTRACT MANAGEMENT

The Bidder should describe its specific plans to manage, control and supervise the Contract to ensure satisfactory Contract completion according to the required schedule. The plan should include the Bidder’s approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

3.9 CONTRACT SCHEDULE

The Bidder should include a draft Contract schedule. If key dates are a part of this RFQ, the Bidder’s schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The Bidder should identify the Contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology.

3.10 MOBILIZATION PLAN

It is essential that the State have quick use of the functionality this Contract is to provide. Therefore, each Bidder should include as part of its Quote a mobilization plan, beginning with the date of notification of Contract award and lasting no longer than 6 months.

Such mobilization plan should include the following elements:

- A. A detailed timetable for the mobilization period of 6 months. This timetable should be designed to demonstrate how the Bidder will have the personnel and equipment it needs to begin work on the Contract up and operational from the date of notification of award;
- B. The Bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the Bidder's mobilization of the Contract within the period of 6 months. The Bidder should clearly identify management, supervisory or other key personnel that will be assigned only during the mobilization;
- C. The Bidder's plan for recruitment of staff required to provide all services required by the RFQ on the Contract start date at the end of the mobilization period covering 6 months. In the event the Bidder must hire management, supervisory and/or key personnel if awarded the Contract, the Bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the Contract term; and
- D. The Bidder's plan for the purchase and distribution of equipment, inventory, supplies, materials, etc. that will be required to begin work on the Contract on the required start date.

3.11 ORGANIZATIONAL EXPERIENCE

The Bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the Bidder's qualifications, and capabilities to perform the services required by this RFQ. The Bidder should include the level of detail it determines necessary to assist the Evaluation Committee in its review of Bidder's Quote.

3.12 LOCATION

The Bidder should include the address of where responsibility for managing the Contract will take place. The Bidder should include the telephone number and name of the individual to contact.

3.13 ORGANIZATION CHARTS

The Bidder should include an organization chart, with names showing management, supervisory and other key personnel (including Subcontractor management, supervisory, or other key personnel) to be assigned to the Contract. The chart should include the labor category and title of each such individual.

3.14 RESUMES

Detailed resumes should be submitted for all management, supervisory, and key personnel to be assigned to the Contract. Resumes should emphasize relevant qualifications and experience of these individuals in successfully completing Contracts of a similar size and scope to those required by this RFQ. Resumes should include the following:

- A. The individual's previous experience in completing each similar Contract;
- B. Beginning and ending dates for each similar Contract;
- C. A description of the Contract demonstrating how the individual's work on the completed Contract relates to the individual's ability to contribute to successfully providing the services required by this RFQ; and
- D. With respect to each similar Contract, the name and address of each reference together with a person to contact for a reference check and a telephone number.

The Bidder should provide detailed resumes for each Subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability, and experience relevant to that part of the work which the Subcontractor is designated to perform.

3.15 EXPERIENCE WITH CONTRACTS OF SIMILAR SIZE AND SCOPE

The Bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder's ability to successfully complete services similar to those required by this RFQ. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFQ. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFQ. For each such contract listed, the Bidder should provide two (2) names and telephone numbers of individuals for contracting party. Beginning and ending dates should also be given for each contract.

The Bidder must provide details of any negative actions taken by other contracting entities against them in the course of performing these projects including, but not limited to, receipt of letters of potential default, default, and cure notices, termination of services for cause, or other similar notifications/processes. Additionally, the Bidder should provide details, including any negative audits, reports, or findings by any governmental agency for which the Bidder is/was the contractor on any contracts of similar scope. In the event a Bidder neglects to include this information in its Quote, the Bidder's omission of this necessary disclosure information may be cause for rejection of the Bidder's Quote by the State.

The Bidder should provide documented experience to demonstrate that each Subcontractor has successfully performed work on contracts of a similar size and scope to the work that the Subcontractor is designated to perform in the Bidder's Quote. The Bidder must provide a detailed description of services to be provided by each Subcontractor.

3.16 FINANCIAL CAPABILITY OF THE BIDDER

The Bidder should provide sufficient financial information to enable the State to assess the financial strength and creditworthiness of the Bidder and its ability to undertake and successfully complete the Contract. In order to provide the State with the ability to evaluate the Bidder's financial capacity and capability to undertake and successfully complete the Contract, the Bidder should submit the following:

- A. For publicly traded companies the Bidder should provide copies or the electronic location of the annual reports filed for the two most recent years; or
- B. For privately held companies the Bidder should provide the certified financial statement (audited or reviewed) in accordance with applicable standards by an independent Certified Public Accountant, including a balance sheet, income statement, and statement of cash flow, and all applicable notes for the most recent calendar year or the Bidder's most recent fiscal year.

If the information is not supplied with the Quote, the State may still require the Bidder to submit it. If the Bidder fails to comply with the request within seven (7) Business Days, the State may deem the Quote non-responsive.

A Bidder may designate specific financial information as not subject to disclosure when the Bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination to accept the assertion and will so advise the Bidder.

3.17 STATE-SUPPLIED PRICE SHEET INSTRUCTIONS

The Bidder must submit its pricing using the Attachment E - State-Supplied Price Sheet accompanying this RFQ.

The Bidder shall complete all four (4) tabs of the Attachment E - State-Supplied Price Sheet according to the specific instructions detailed in each tab. All instructions on the State Supplied Price Sheet are incorporated by reference into this Bid Solicitation as if reprinted here in their entirety.

- Admin Fee Components - Instructions for completing this Tab are set forth on the State-Supplied Price Sheet. All fees quoted shall be guaranteed for the full duration of the base term of the Contract (Contract Year One through Five);
- Admin Fee Additional Details - Instructions for completing this Tab are set forth on the State-Supplied Price Sheet;
- Credits - Instructions for completing this Tab are set forth on the State-Supplied Price Sheet;
- Financial Guarantee - Instructions for completing this Tab are set forth on the State-Supplied Price Sheet.
- Definitions - This Tab is for informational purposes only.

Where the State-Supplied Price Sheet includes an estimated quantity column, Bidders are advised that estimated quantities may vary throughout the Contract term resulting from this Bid Solicitation. There is no guaranteed minimum or maximum volume for these price lines.

3.17.1 USE OF “NO BID” ON THE STATE-SUPPLIED PRICE SHEET

All price lines must be filled out in accordance with the instructions above. Bidders are cautioned that submitting “No Bid” for a required price line or group will result in the Quote being deemed non-responsive.

3.17.2 USE OF “NO CHARGE” ON THE STATE-SUPPLIED PRICE SHEET

All price lines must be filled out in accordance with the instructions above. If the Bidder will supply an item on a price line free of charge, the Bidder must indicate “No Charge” on the State-Supplied Price Sheet accompanying this RFQ. An entry of \$0.00 on a price line will be interpreted as a Bidder supplying the good or service at “No Charge.” The use of any other identifier may result in the Bidder’s Quote being deemed non-responsive.

4 SCOPE OF WORK

The Contractor shall provide services as described in this Scope of Work. The Contractor shall adhere to all requirements established in SHBP PDC Resolution #2024-7.

4.1 NETWORK/CLAIMS/INVOICES

4.1.1 CLAIM/INVOICE/ADMINISTRATION

The Contractor shall provide administration of Claim/Invoices with a minimum of the following capabilities and procedures:

- A. Process Claim/Invoices for services incurred on or after the Benefit Effective Date;
- B. Maintain current, complete, and accurate records of all Claim/Invoices and correspondence associated with each Claim/Invoice. Each Claim/Invoice shall, upon receipt, be immediately assigned an appropriate tracking number which will remain with the Claim/Invoice until it can be reviewed for completeness before adjudication;
- C. Assume responsibility for gathering previous pertinent medical records and providing to the COE provider in advance of initial consult.
- D. Offer a single, bundled Covered Procedure price to be paid by the State:
 - 1) Bariatric Surgery (examples include but are not limited to procedures such as gastric bypass surgery, gastric banding, duodenal switch and sleeve gastrectomy);
 - 2) Knee/Joint Replacement Surgery (examples include but are not limited to procedures such as total knee arthroplasty, partial knee arthroplasty and patellofemoral arthroplasty);
 - 3) Hip Replacement Surgery (examples include but are not limited to procedures such as total hip arthroplasty, partial hip arthroplasty and hip resurfacing);
 - 4) Spine Surgery (examples include but are not limited to procedures such as discectomy, laminectomy and spinal fusion); and
 - 5) Heart Surgery (examples include but are not limited to procedures such as coronary Artery bypass and heart valve surgery).
- E. Provide transparency regarding what is included and excluded from the bundled price;
- F. Maintain and utilize software containing edits to identify and track Members by services received, and conditions treated;
- G. Maintain and utilize software containing edits to identify and track Providers by services rendered and Claim/Invoice dollars received;
- H. The State may from time-to-time present information regarding potential fraud to the Contractor. The Contractor is responsible for investigating the referred information to determine whether there is evidence of fraud and shall cooperate with and assist DPB or the NJ Office of Attorney General in any further investigation by either; and
- I. Administer a program to provide cash/gift card incentives per SONJ's pilot program resolution parameters.
 - 1. When a Member completes a Covered Procedure with a provider in the COE network, they shall have no cost-sharing (i.e., copayments);
 - 2. During the first two years of this pilot program, the COE administrator shall provide an incentive to the member in the form of a gift card(s) in the amount of \$150 where one option shall be a bank gift card;
 - 3. The COE Contractor may also offer, at its discretion, one or more merchant gift cards in the amount \$150, for the member to choose between the bank gift card or merchant gift card(s);
 - 4. Contractor shall advise the member that the incentive is a taxable benefit. Contractor shall create and provide a file to State of NJ of members who received gift card incentive throughout the given tax year.
- J. Investigate services to ensure medical necessity, appropriateness of care, and existence of other coverage;
- K. Verify Member eligibility before proceeding with providing services or invoicing DPB;

- L. Issue electronic funds transfers or benefits checks to Providers and facilities as appropriate and in a timely manner;
- M. Develop, in conjunction with the SCM, all materials used to communicate with Members
- N. Prepare communication materials jointly with the SCM as required;
- O. Ensure that the Network Providers are prohibited from balance billing Members for charges for periods of confinement not approved by the Contractor;
- P. Conduct account-specific audits of its own office(s) and those of affiliated organizations and Subcontractors for DPB to ensure accurate processing;
- Q. In accordance with standards established by the Commissions or by law (including, but not limited to the Out-of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act, P.L. 2018, c.32 (N.J.S.A. 26:2SS-1 et seq.)), review denied Claim/Invoices that are appealed by a Member and provide a monthly report to the DPB on all appeals referred to the IRO and the outcome of those appeals;
- R. Comply with all internal review timelines required by Federal law which are subject to change during the term of this Contract;
- S. Provide representatives for all Commission meetings (generally held bi-monthly) where appeals for denial of medical necessity from COE will be heard, including having appropriate medical professionals attend all Commission meetings when requested by DPB or either Commission. This responsibility shall continue after expiration or termination of the Contract for any Claim/Invoices that may go before the Commissions that were administered or adjudicated by the Contractor during the term of the Contract;
- T. Administer all aspects of the external review and appeal process required under PPACA for all non-Grandfathered plans;
- U. Ensure all payments to Providers are based on actual Provider charges for the bundled services. Providers should not receive payment based on estimates or averages for any service;
- V. Verify that all requirements of the U.S. Department of Health and Human Services, with regard to HIPAA-mandated electronic data interchange (EDI) for Claim/Invoices transactions are met;
- W. Ensure all payments to Providers are based on actual Provider charges for the bundled services. Providers should not receive payment based on estimates or averages for any service;
- X. The Contractor shall document all demonstrated superior clinical outcomes versus national averages and versus the TPA's in-network providers – includes metrics such as, but not limited to, readmission rates and complication rates.
- Y. All Administrative Fees shall assume the State will be the Claim Fiduciary.

The Contractor shall notify DPB, in writing, of any material change or modification to the system, protocols and procedures, location, or personnel utilized for Claim/Invoices adjudication or Claim/Invoices processing, prior to implementation, if the change or modification would:

- 1. Affect the Contractor's ability to perform one or more of its obligations of this Contract;
- 2. Be visible to the SHBP or its Members; or
- 3. Put the Contractor or the Plan(s) in non-compliance with the provisions or substantive intent of the Plan(s).

4.1.2 MEMBER SERVICES

4.1.2.1 MEMBER CALL CENTER & INITIAL CONSULTATION OF COVERED PROCEDURES

The Contractor shall:

- A. Provide Initial Consultation of Covered Procedures and Concierge Level Member Support with a dedicated customer-service unit and a toll-free telephone line to provide answers to Members and Provider inquiries on Program specifics including but not limited to member out of pocket expenses, care support, network navigation, and cost transparency:
 - 1. Team should be of adequate size to handle the anticipated volumes;
 - 2. All team members should have appropriate education, licensure (if applicable) and training.

The Contractor shall provide the initial Consultation of Covered Procedures via telephone. The Contractor shall provide plain language to the Member on Covered Procedure information. During the initial Consultation, the Contractor shall determine the distance of the current residence of the Member to a provider in the COE network. If the Contractor determines the Member resides more than fifty (50) miles from a provider in the COE network, then the Member shall not be subject to the cost-sharing set out in Resolution #2024-7. The Contractor shall accept and document Member's verbal decisions via telephone to satisfy the initial Consultation requirement. Within two (2) business days of the initial Consultation and member decision, the Contractor shall document all relevant information and notify the Member's SHBP insurance carrier that they have completed the COE initial Consultation obligation.

- B. Staff the Initial Consultation and Concierge Level Member Support telephone line with live personnel Monday through Friday at a minimum from 8:00 a.m. to 6:00 p.m. Eastern Time (ET) each Business Day, excluding State holidays;
- C. Ensure that its Consultation and Concierge Level Member Support meets the Performance Standards set forth in Revised Attachment D - Performance Standards;
Provide multilingual speaking service representatives (English and Spanish are mandatory, other languages shall be provided upon request from DPB);
- D. Establish data integration mechanisms with key partners in SNJ's benefit health system. Key partners are defined as those with whom data exchange (e.g. electronic, telephonic, written, etc) is required for successful operation of the bidder's product and services.

4.1.2.2 WEBSITE, MOBILE CAPABILITIES, AND TRANSPARENCY

The Contractor shall provide SHBP Members with 24-hour online access to web-based information. Contractor website shall be accessible to Members 24 hours a day, 7 days a week, and 365 days a year (subject to routine downtime for maintenance, repair or other interruptions.) All outages in excess of one (1) hour shall be reported to the SCM.

- A. The Contractor's website shall be live 1 month prior to the start of the COE services, in accordance with implementation and mobilization periods described in this contract, and shall include Member access with the ability to check on the status of their case.

The Contractor's website shall, in addition to the requirements above, include Member access to the following:

- B. Program summaries; and
- C. Educational information

4.1.2.3 TECHNICAL REQUIREMENTS: WEBSITE

The Contractor must participate in the New Jersey Office of Information Technology's System Architecture Review along with State Agency Staff:

<https://nj.gov/it/whatwedo/sar/>

The Contractor shall develop a system that complies with the guidance of the NJ Statewide Information Security Manual:

<https://www.cyber.nj.gov/grants-and-resources/state-resources/statewide-information-security-manual-sism>

The Contractor shall comply with the NJ Web Presence Guidelines:

https://www.tech.nj.gov/it/docs/NJ_Web_Presence_Guidelines.pdf

The system's compliance with Web Content Accessibility Guidelines (WCAG) 2.0 Level AA, shall be verified using a commercially available software product certified for this purpose.

Contractor and agency will work together to conduct tests for measuring the responsiveness of all parts of the system, with varying amounts of users.

Such testing, measurement and monitoring must permit reporting at a level of detail sufficient to satisfy the agency that users will have an acceptable experience with the system.

Vendor will provide the agency with information and access to all information or work product produced by such tools and procedures upon request for purposes of verification.

In compliance with the 21st Century Integrated Digital Experience Act, user authentication shall leverage the state's shared Identity and Access

Management (IAM) strategy. Options include:

The myNJ web access management system which is SAML 2.0 compliant and integrates with service providers that support SAML 2 Web Single Sign On

Microsoft Entra ID/Active Directory for employee-only applications.

4.1.3 COMMUNICATIONS

The Contractor shall have the capability to, if requested by the State:

- A. Provide a quarterly communications calendar to the SCM, and the Online Enrollment Vendor. All Member communications shall be provided to the SCM in advance of distribution for review and approval;
- B. Provide communication (member-facing) support for
 - A. Initial program launch
 - B. open enrollment
 - C. periodic awareness-building campaigns
- C. Provide educational materials in a variety of formats (i.e., print, webinar, and video) for annual enrollment, clinical information and other needs. All Member communications material should be written at a 5th grade level. The Contractor shall transmit communication materials in Spanish on a case-by-case basis, if requested in writing by the SCM;
- D. Provide co-branding and customization of communications materials in conjunction with DPB, and the Online Enrollment Vendor;
- E. Work with DPB to develop language detailing Program benefits for the SHBP member handbooks and other plan documents, as needed; and
- F. Review communications developed by DPB and provide comments and feedback in a timely manner, as requested.

4.1.4 ACCOUNT MANAGEMENT

The Contractor shall:

- A. Provide an account management team for the State, who will be fully engaged during the implementation, which shall fill the following roles:
 - 1. Account Executive;
 - 2. Account Manager;
 - 3. Financial Analyst;
 - 4. Marketing Specialist

The roles of Account Executive and Account Manager shall be designated to the administration of this Contract;

- B. Provide representatives for Commission and/or Plan Design Committee meetings (generally bi-monthly and monthly, respectively) as requested;
- C. Meet with the DPB and DPB-designated consultants on at least a monthly basis, and meet with DPB and other DPB vendors as requested by DPB;

- D. Provide virtual or on-site, comprehensive annual review of SHBP performance, including analyses of the Contractor's satisfaction (or lack thereof) of each Financial Guarantee and Performance Standard, projected changes that may be occurring in the Contractor's Services, and trending and forecasting information;
- E. Develop biannual satisfaction survey, in conjunction with the DPB, and transmit same to a statistically significant sample of Members. The Contractor shall be responsible for tallying the responses of the survey and presenting the results to the DPB. The Contractor shall provide all individual survey responses to the DPB, if requested by the SCM;
- F. Provide account management and/or Member services support for, and attendance at, annual enrollment meetings if requested;
- G. Contractor shall agree to annually provide notification of any payments related to the administration of SHBP plans made to the Contractor or a Subcontractor by any Provider group, point solution, technology platform, or other entity;
- H. Contractor shall agree to annually provide notification of financial arrangements between Contractor and any Subcontractor where SHBP may incur fees or Claim/Invoices, directly or indirectly. This includes any additional fees that may require a contract amendment or result in cancellation of the contract; and
- I. Contractor shall agree to annually disclose their ownership or current relationship in part or whole with any Subcontractor(s) or point solution offered to SHBP members.

4.1.4.1 ACCOUNT EXECUTIVE

The Account Executive shall:

- A. Have decision making authority for the Contract;
- B. Ensure satisfactory administration of all aspects of the Contract;
- C. Coordinate resources to meet the needs of the State, and act as a facilitator toward that end;
- D. Ensure that DPB procedures and directives are followed concerning marketing, attendance at requested health fairs either in-person or virtual which may include live or recorded webinars, timeliness, and accuracy of materials available to Members, reporting (financial and other), and other procedural and contractual requirements;
- E. Be accessible to DPB at all times during normal business hours (the State is agreeable to the Account Executive's designee or an appropriate Account Management Team member representing the Account Executive for this item);
- F. Update contact information for the Account Management Team as appropriate, including key contact information (office, cell phone numbers, email, and physical mailing addresses) for each Account Management Team member;
- G. Attend all meetings either in person or virtually as assigned or requested by DPB, including but not limited to monthly new Employee orientation meetings with various unions;
- H. Communicate effectively and professionally, conducting and facilitating meetings with agendas;
- I. Inform DPB of changes of key staff members, Contractor policies that may affect the Contract, pending mergers, investigations or inquiries by regulatory, state or federal agencies;
- J. Fully inform DPB of changes of new financial arrangements with other contractors or subcontractors that may have a material effect on the Plan(s) and/or Member(s);
- K. Notify the State at a minimum of 15 Business Days in advance of any proposed change being made to Account Management Team; and
- L. Address issues or problems as they arise, work to resolve problems, and communicate solutions to DPB.

The State reserves the right to request, in writing, a new Account Management Team member or entire Account Management Team at any time, and have its request honored by the Contractor in a mutually agreed upon time between DPB and the Contractor. Additionally, the State shall have the right to interview any new Account Management Team members before they are assigned to the State.

4.1.5 NETWORK MANAGEMENT

The Contractor shall:

- A. Provide for access to medical care and health services that satisfy all applicable requirements of the federal and State statutes and regulations pertaining to medical care and services;

- B. Maintain a network of service providers designed to ensure that the SONJs population has access to a high-value (cost, quality) COE provider within a reasonable distance from the member's home. The network, at a minimum, must address:
 1. hip and knee joint replacement procedures
 2. bariatric procedures
 3. spine procedures
 4. non-emergent cardiac procedures
- C. Administer a program to ensure all providers (facility, surgeon, anesthesiologist) meet best-in-class clinical outcome standards,
- D. Maintain a network of Providers offering the above services sufficient, at a minimum, to provide or arrange for the provision to Members the services described above;
- E. Verify initially and routinely thereafter (at least every three (3) years) that all contracted facilities are appropriately licensed by the State in which they operate. The Contractor shall also verify initially and routinely thereafter (at least every three (3) years) professional education, training, quality of care, licenses and other credentials for each Network Provider and where applicable the admitting and other privileges granted by a facility to each Network Provider;
- F. Provide at least 45 Calendar Days advance written notification to the SCM of any change in Provider networks that will affect a 1.0% or greater change in the number of Providers in the network or a disruption that would impact 3.0% or greater of the Members. In measuring the 3.0% impact on Members, the Contractor should include any Member who has had at least one (1) Claim/Invoice with that Provider(s) on or within the previous 12 months, or within a lesser time period if the Contractor does not yet have 12 months of Claim/Invoice experience. The Contractor shall also notify Members of disruption based on:
 1. If facility Provider, communication shall be sent to all Members within the Three-Digit Zip Code; or
 2. If physician Provider, communication shall be sent to all affected Members.
- G. Require that each licensed Network Provider maintain professional liability (medical malpractice) insurance with limits of at least \$1 million for each occurrence and \$3 million in the aggregate, except where in any identified geographic area, other professional liability coverage limits are appropriate and usual for the Network Provider's clinical specialty and/or services in that Network Provider's geographic area. It is the Contractor's responsibility to ensure that the insurance is valid at the time of credentialing and to recheck credentials routinely thereafter in accordance with the National Committee for Quality Assurance (NCQA) standards or the equivalent;
- H. Monitor, evaluate, and take action to address improvements in the quality of health care delivered by all Network Providers through the implementation of a continuous quality assurance program which is satisfactory to the State and which shall be reported on and presented to the State on at least an annual basis during rate renewal presentations;
- I. Continually explore methods of Provider payment reform and emerging market trends to ensure the best possible financial results for the SHBP;
- J. Ensure that in determining the amount of any payment to a Member or amount billed to the Plan, the Member or the Plan, as appropriate, shall receive one hundred percent (100%) of any discounted or negotiated rates or payment arrangements, any price adjustments/rebates/refunds, and any retroactive or supplemental payments or credits negotiated by the Contractor or its affiliates, agents, or subcontractors. No separate arrangement that returns fees or otherwise compensates the Contractor based upon the volume of Members and/or services rendered to Members shall be permissible, except as mutually agreed otherwise by the State and the Contractor;
- K. Provide a comprehensive annual notification of Contractor Network bundled services contract increases/decreases for all contracted hospital facilities and physicians to assess any general trends and increases in the New Jersey marketplace; and
- L. Contractor acknowledges that the State is subject to certain requirements under the Consolidated Appropriations Act, 2021, including the federal No Surprises Act, P.L. 116-260 (2020), Division BB, Title I, of the Consolidated Appropriations Act, 2021, 134 Stat. 1182, as amended, as incorporated under the Employee Retirement Income Security Act of 1974 (ERISA), P.L. 93-406 (1974), 88 Stat. 829, as amended, which appears generally as 29 USCS §§ 1001 et seq., the Public Health Service Act (PHSA), P.L. 78-410 (1994), 58 Stat. 682, 78 Cong. Ch. 373, as

amended, and the Internal Revenue Code (Code) Title 26 of the United States Code, as applicable.. Contractor further must acknowledge that the State is required to comply with Transparency in Coverage Rules issued by the Departments of Labor, Health and Human Services, and the Treasury, in accordance with implementing regulations. In addition to the compliance obligations specifically set forth in this Section of the Bid Solicitation, to the extent that any of the foregoing federal provisions require the State to report or disclose information of the State that is in the possession or control of Contractor, Contractor agrees that it shall promptly comply with any request by the State to provide such required information in a manner consistent with the requirements under ERISA, the PHSA, or the Code (and implementing regulations), as applicable, to allow the State to meet its obligations under these federal provisions.

1. Transparency in Coverage:

- i. Effective as and when required by 26 C.F.R. 54.9815-2715A3, 29 C.F.R. 2590.715-2715A3, and 45 C.F.R. 147.212, as applicable, Contractor shall provide to the State all information with respect to the State that is within Contractor's possession or control that is necessary to enable the State to meet the requirements for public disclosure under such sections. Contractor agrees to provide such information in a machine-readable file in a manner consistent with implementing regulations. Contractor shall update such machine-readable file and related information provided to the Plan on a monthly basis or at the frequency otherwise required by implementing regulations. Contractor shall provide such information through a website to which the State may link through its website in order for Plan participants to access such information. Contractor's responsibility under this subsection shall be limited to that information that is not otherwise provided by or controlled by another entity.
 - ii. Effective as and when required by Code Section 9819, ERISA Section 719, and PHSA Section 2799A-4, as applicable, and/or 26 C.F.R. 54.9815-2715A2, 29 C.F.R. 2590.715-2715A2, and 45 C.F.R. 147.211, as applicable, Contractor shall provide price comparison information to Covered Members required by such sections.
2. Contractor shall timely notify eligible Covered Members and the State of any termination of participation by a Provider or health care facility in the network available under the Plan, to enable the State to comply with continuity of care provisions required under Code Section 9818, ERISA Section 718, and PHSA Sections 2799A-3 and 2799B-8.
3. Contractor agrees that it shall assist the State in connection with the reporting requirements that apply to the Plan under Internal Revenue Code Section 9825, ERISA Section 725, and Public Health Service Act Section 2799A-10, as added by Section 204 of division BB of the Consolidated Appropriations Act, 2021 and any implementing regulations ("CAA Reporting Requirements"), and directly relate to the Services provided by Contractor under the Agreement. Contractor shall be responsible for reviewing the CAA Reporting Requirements and any modifications thereto and, on the State's behalf, shall provide the files required by Prescription Drug Data Collection (RxDC) Annual Reports directly to the Centers for Medicare and Medicaid Services as necessary to comply with the CAA Reporting Requirements related to the data held by Contractor. Contractor agrees to reasonably cooperate with the State, its consultants, and other vendors with respect to the CAA Reporting Requirements. This Section of the Bid Solicitation is intended to constitute a written agreement under 29 C.F.R. 2590.725-2(d) (2).
4. Contractor acknowledges that the State cannot enter into any agreement that would restrict the use of disclosure of Information in a manner inconsistent with ERISA Section 724 or parallel provisions in the Internal Revenue Code or the Public Health Service Act (or their respective implementing regulations and guidance), all as amended. Without limiting the foregoing sentence, Contractor acknowledges that the State shall not be directly or indirectly restricted from:
- i. Providing Provider-specific cost or quality of care information or data, through a consumer engagement tool or any other means, to referring Providers, the State, Participants, or individuals eligible to become Participants of the Plan;
 - ii. Electronically accessing de-identified Claim/Invoices and encounter information or data for each Participant in the Plan, upon request and consistent with the privacy regulations promulgated pursuant to section 264(c) of the Health Insurance Portability and Accountability Act of 1996, the

amendments made by the Genetic Information Nondiscrimination Act of 2008, and the Americans with Disabilities Act of 1990, including, on a per Claim/Invoice basis: (i) financial information, such as the allowed amount, or any other Claim/Invoice-related financial obligations included in the Provider contract; (ii) Provider information, including name and clinical designation; (iii) service codes; or (iv) any other data element included in Claim/Invoice or encounter transactions; or

- iii. Sharing information or data described in subparagraph (i) or (ii), or directing that such data be shared, with a business associate as defined in 45 C.F.R. 160.103 (or successor regulations), consistent with the privacy regulations promulgated pursuant to section 264(c) of the Health Insurance Portability and Accountability Act of 1996, the amendments made by the Genetic Information Nondiscrimination Act of 2008, and the Americans with Disabilities Act of 1990.
5. To the extent not otherwise required to be disclosed under the foregoing provisions of this Section, Contractor must agree to disclose to the State any other information requested by the State to promote Plan and pricing transparency. Such information shall include, but not be limited to, specific and general Claim/Invoices adjudication and other financial information, including compensation and prices, allowed and billed Claim/Invoice costs, the terms of any risk sharing arrangements, incentives, and pay-for-performance reimbursement, future contractual rate increases by hospital, fee schedules as a percent of Medicare for in-patient and outpatient services by hospital.

4.1.6 PROVIDER NETWORK ACCESS STANDARDS AND QUALITY ASSURANCE

The Contractor shall provide a network of specialty, Providers. The Contractor shall:

- A. Ensure its network is comprised of a sufficient number of licensed Providers that will provide the services listed in this RFQ and are accepting new patients;
- B. Ensure agreed upon geographic access and availability standards for physicians and facilities are met

4.1.7 HEALTH MANAGEMENT

The Contractor shall provide services for health management and also in compliance with section "4.1.2.3: Technical Requirements: Website" in addition and including the following:

- A. A single web portal through which the Member can access information, programs, tools and resources on the services offered;
- B. Integrated customer service with a single point of contact for resolving issues posed by DPB, as well as those presented by individual Members; and
- C. Coordination with the Online Enrollment Vendor and DPB of all communication deliverables, including proactive health promotion messages to subsets of the population to provide education and awareness of applicable programs and to the entire population to increase awareness of the relationship between lifestyle behaviors and health risks.

4.1.8 HIPAA COMPLIANCE

The Contractor shall ensure safeguarding of all data in accordance with State and Federal statutes, regulations, and policies pertaining to the confidentiality of Member information. Such statutes, regulations and policies include, but are not limited to the Privacy Regulations Adopted by the US Secretary of Health and Human Services pursuant to HIPAA and the Balanced Budget Act (BBA) of 1997 governing the protection of patient information.

The Contractor shall:

- A. Have policies and procedures for the protection of Member Personal Health Information (PHI) and avoidance of security breaches under HIPAA and HITECH;
- B. Have established breach notification procedures in the event of a release of PHI;
- C. Complete and submit a HIPAA Business Associate Agreement within ten (10) Business Days after the Contract award;
- D. Maintain processes, systems, and reporting in full compliance with federal and State requirements;

- E. Be compliant with HIPAA for acceptance of Claim/Invoices transactions in the applicable industry standard NCPDP format; and
- F. Be solely responsible for any fines related to non-compliance.

4.1.9 PPACA COMPLIANCE

The Contractor shall:

- A. Ensure the Plan's continuing compliance with requirements, including, but not limited to, sending notifications of changes in the federal regulations to the State and its Subscribers;
- B. Support embedded and non-embedded out of pocket maximums and/or deductibles. Certain individual cost sharing limits set by the PPACA will apply on a per individual basis, regardless of whether an individual is covered under an individual or family plan;
- C. Charge based on actual cost the expense of retaining outside vendors for appeals required by Patient Protection and Affordable Care Act (PPACA) (e.g. IRO) to the Programs.

4.1.10 OPEN ENROLLMENT AND ELIGIBILITY

The Contractor shall support the annual Open Enrollment period established by the Commissions and administered by the Online Enrollment Vendor and DPB. This support includes:

- A. Provision of materials to State and Local Government employers and subscribers;
- B. Attendance at health benefits fairs either in person or virtual if requested;
- C. Health benefits presentations;
- D. Support any special Open Enrollment period when requested by the SCM; and

All materials shall be approved by the SCM prior to use or distribution.

During the term of this Contract, the Contractor or any affiliate or subsidiary shall not solicit or try to induce a participating Local Employer to enter into an agreement for any type of medical coverage provided under this Contract. The Contractor shall not use any information obtained as a result of this Contract, including information on participating Local Employers, Subscribers, Dependents, and Claim/Invoice experience, for any purpose other than processing Claim/Invoices and providing such other services as are required under this Contract. In the event the Contractor or any affiliate or subsidiary receives from a participating Local Employer (or any entity that is, or may be, acting on its behalf) a request for a Quote and/or a request for Claim/Invoice information for coverage of the type being provided under this Contract, the Contractor shall advise the DPB in writing of the request. Claim/Invoice information shall not be released without prior DPB approval.

4.1.11 FINANCIAL ACCOUNTING

Payment by the Contractor of any amount payable under the Plan shall be made by checks drawn by the Contractor payable through a bank or via electronic fund transfers to Providers.

The Contractor shall request reimbursement for Claim/Invoice checks that have cleared its bank account and for electronic fund transfers the Contractor has paid to Providers. The Contractor will be reimbursed for Claim/Invoice checks and electronic fund transfers to Providers that have cleared the Contractor's bank account by the Contractor transmitting the total amount cleared via email to DPB by 11:00 a.m., ET daily, to determine the total amount that will be funded by wire transfer to the Contractor's designated bank on the same day. The transmission shall include a breakdown between State and Local Employer amounts. If the amount to be funded is not provided by the Contractor to DPB by 11:00 a.m. ET, it shall be added to the next wire transfer and no charges shall be assessed against the Programs. Contractor must provide backup reporting of Claim/Invoices and checks cleared in order to reconcile for audit purposes.

Should the State fail to provide funds in a timely manner to the bank selected by the Contractor for the daily payment of checks cleared by the bank or for cleared electronic transfers paid by the Contractor to large institutions and other medical facilities, the Contractor, after timely notice, may cease disbursement of benefit payments until the requested funds have been provided. The Contractor shall provide five (5) Business Days' notice of the State's failure to provide the deposit of said funds and the notice shall be provided by 1) telephone, and 2) e-mail, or in writing by overnight delivery to the SCM and the person(s) with responsibility for receiving these notifications identified by the State.

The Contractor agrees that, if in the normal course of business, it, or any other organization with which the Contractor has a working arrangement, chooses to advance any funds that are due to any Provider, affiliate or Subcontractor, the cost of such advance shall not be charged back to the Programs except the DPB shall reimburse the Contractor as set forth in this Bid Solicitation.

The Contractor shall disclose, fully account for, and remit to the DPB any and all funds received by it as the result of a recovery of an overpayment or incorrect payment, rebates, or subrogation of a claim or lien. All discounted or negotiated rates or payment arrangements, all price adjustments and refunds, and all retroactive or supplemental payments or credits negotiated with regard to covered services received by Members shall be remitted to DPB as disclosed and established by the Pricing Sheet submitted by the Contractor. Administrative Services Only (ASO) fees shall take into consideration this provision.

Administrative Fees will be payable to the Contractor by the State within thirty-one (31) Calendar Days after the beginning of the monthly coverage period based on the State's Plan Eligibility File. Administrative fees and other charges will be wired to a bank selected by the Contractor.

The Contractor shall not charge DPB for a Claim/Invoice payment that is greater than the actual amount paid by the Contractor to the Provider, or thereafter negotiated with the Provider on account of the Claim/Invoice. The Contractor shall not retain amounts paid by DPB for a Claim/Invoice(s), which amount is subsequently negotiated down or reduced by the Contractor as part of an agreement or negotiation between the Contractor and the Provider (e.g., multiple procedure discounts, retention reallocation, etc.).

The Contractor shall submit to the SCM an itemization of the charges and fees (other than Claim/Invoice payments) and credit for services provided in the administration of the Plan, at a cadence agreed upon by the SCM.

The Contractor may rely on information furnished to it by the State, the Online Enrollment Vendor in the Plan Eligibility File, and written communications by the SCM. The State will accept responsibility for Claim/Invoices based on inaccurate information provided to the Contractor by the State in the Plan Eligibility File and written communications by the SCM. Notwithstanding the State's responsibilities set forth in this paragraph, the Contractor shall work in partnership and in good faith with the State to minimize the negative impact to any Member that results from inaccurate information furnished to it by the State in the Plan Eligibility File or other written communication by the SCM.

The Contractor shall ensure that it resolves and/or accommodates all data processing problems and changes within a time period mutually agreed upon, and that all required changes are implemented in a timely manner. The SCM will identify how the technical priorities will be set. All changes shall be tested between the Online Enrollment Vendor, DPB and the Contractor prior to implementation.

The Contractor shall ensure that its personnel participate in monthly, or as necessary, IT system status meetings in Trenton. Participation may be in-person, by video conference, or telephonically at the discretion of the SCM. Such Contractor personnel include but are not limited to, the Account Executive, IT, Eligibility and Claim/Invoices Managers. The meetings will focus on open IT problems and/or changes and all issues associated with them.

4.1.12 START-UP

The Contractor's implementation services shall minimally meet the following requirements:

- A. The implementation team shall meet with the DPB within five (5) Business Days after Contract award. An implementation project manager shall be assigned, as well as a project team including, at a minimum, account management, clinical and information systems. All key project staff shall attend all implementation meetings and conference calls. State project staff will provide access and orientation to the plans and necessary information, as requested by the Contractor;

- B. Project management is an important component of service delivery. Accordingly, the vendor should adopt project management practices that follow Project Management Institute (PMI) standards and/or project management best practices to help ensure the project may be delivered on time, and within budget and scope:

<http://www.nj.gov/it/docs/vendors/ProjectManagementAppendix.pdf>

- C. Provide its transition plan to the SCM 30 Calendar Days after Contract award. The transition plan shall include at least:
1. Proposed approach to transition;
 2. Tasks and timeline for transition;
 3. Documentation update procedure during transition;
 4. Member communication strategy
- D. Plan benefit design shall be accurately loaded to and testing successfully completed in the Contractor's database at least 45 Calendar Days before the Contract Effective Date. The State or its designated consultant(s) will conduct a quality review of the Plan design to be loaded in the Claim/Invoice system prior to the effective date. All information needed for this on-site review shall be provided to allow for the review of the Claim/Invoices administration system in a test environment that would be the "live" Claim/Invoice processing system; Be equipped to receive the State's Plan Eligibility File from the Online Enrollment Vendor within thirty (30) days prior to the Contract Effective Date;
- E. Be equipped to receive the Plan's Claim/Invoice data files from incumbent contractors thirty (30) Calendar Days prior to the Contract Effective Date. The file shall be tested with the Contractor's Claim/Invoice system and plan benefit design, and be ready for Claim/Invoice payment by the Contract Effective Date;
- F. Toll-free telephone number, customer service unit, and website shall be operational ninety (90) Calendar Days prior to the Contract Effective Date;
- G. Contractor must complete, at no additional cost, system and file feed integration with any designated third-parties or existing third-party member solutions currently offered to SHBP members. Future integration points after the Contract Effective Date will be funded through the Integration Credit outlined in the Revised Attachment E - State-Supplied Price Sheet.

4.1.13 AUDITS

Audits are designed to ensure: Contract compliance; the proper functioning of the interface system; proper payment of Claim/Invoices including but not limited to the application of SHBP benefits and Plans, plan eligibility, coordination of benefits, correct allocation of Claim/Invoices according to SHBP experience groups, and efficient and effective medical management.

DPB reserves the right to review and audit all records including EOB or EOP associated with the administration of the Program, including all records held by any Subcontractor or related organization or held by any entity that is a member of the Contractor group of companies. Audits shall be conducted during the normal business hours after providing the Contractor with no fewer than 30 Calendar Days written notice. In addition to routinely scheduled audits, an audit may be conducted any time if DPB has a reasonable and good faith belief that a situation exists that will result in harm to the SHBP. Routine audits shall be conducted at least every three (3) years. The results of any review or audit are for the exclusive use of DPB and the SHBP.

The Contractor shall cooperate in the administration of all audits performed by or on behalf of DPB, on various aspects of the administration of the Plan, including but not limited to P.L. 2019, Chapter 143:

- A. Claim/Invoices processing;
- B. Medical Case, Care, and Utilization Management;
- C. Enrollment data.

All reviews or audits may be performed by DPB or any designees chosen by DPB, other than a designee whose action would be reasonably considered by the Contractor to be a conflict of interest. The findings of any designee authorized to perform a review of the audit shall be presented in a written report to the SCM. The Contractor has the right to read the

report prior to submission to the SCM and Contractor's written comments pertinent to the audit, if furnished, shall be submitted to the SCM with the audit as a supplementary statement.

The Contractor shall:

- D. Conduct statistically valid routine audits and control inspections of randomly selected Claim/Invoices under the Plan;
- E. Report quarterly on such audits to comply with the Performance Standards shown in Revised Attachment D - Performance Standards of this Bid Solicitation;
- F. Conduct, on request, eligibility audits between the Online Enrollment Vendor's master file and the Contractor's Plan Eligibility Files. The frequency of the audits will be established by DPB. The Contractor shall be able to accommodate various cutoff dates which may apply to specific experience groups. Currently, eligibility audits are conducted quarterly; and
- G. Annually submit to the SCM its American Institute of Certified Public Accountants' Statement on Standards for Attestation Engagements (SSAE) No. 16, as well as a report of the actions taken to deal with any weaknesses or deficiencies identified in the SSAE No. 16.
- H. Provide \$50,000 to fund a performance and/or claims audit, to be performed by Aon, after 3 years of program operation. Audit scope and details to be mutually agreed up by SONJ and the successful bidder.

4.1.14 RECORD RETENTION

- A. Subject to applicable law, Claim/Invoice Records shall at all times be the property of the Programs. The Contractor has the right to possession and use of Claim/Invoices Records during the term of the Contract and to maintain Claim/Invoices Records following the termination of the Contract, as necessary to comply with its obligations under the Contract or as mandated by law. Upon request, data shall be provided in a mutually-agreeable format;
- B. The Contractor shall have no interest in, nor have any obligation to provide any aggregate Claim/Invoice or payment data maintained or copied by the Contractor for its own uses outside of the scope of the Contract. Such information may not be used for any purposes which may be deemed by the Programs as detrimental to the Programs;
- C. All Claim/Invoice Records and other records possessed by the Contractor under the Contract shall be retained in accordance with applicable federal and State record retention requirements, but in any case, shall be kept and retrievable for no less than seven (7) years. Claim/Invoice Records shall be retained for two (2) years on-line from the date of service or from the date final payment is made on the Claim/Invoice, whichever is later;
- D. If DPB notifies the Contractor a Claim/Invoice has become the subject of litigation, the Contractor shall preserve all records pertaining to the Claim/Invoice and provide the SCM all Claim/Invoice information related to that Claim/Invoice as necessary for litigation purposes and participate as fact or expert witnesses. The Contractor shall provide an expert witness, when necessary, at a reasonable, customary and mutually agreed upon hourly fee. This provision shall survive termination of the Contract;
- E. The Contractor shall defend, at its own expense, litigation arising from or related to Contractor's actions or inactions, under this Contract;
- F. In addition, Claim/Invoice Records shall promptly be made available to the State for audit and review upon written request;
- G. In addition, all documents, records, reports, data, including data recorded by the Contractor in its data processing systems, directly related to the receipt, processing and payment of Claim/Invoice Records shall promptly be made available to the State or its designated consultant(s) upon written request;
- H. The provisions of *Bid Solicitation Section 4.1.19 – Record Retention* shall survive the termination of this Contract or termination of coverage of a Member and shall bind the Commissions and the Contractor so long as they maintain any Personally Identifiable Information; and
- I. Contractor shall prepare all filings necessary and appropriate to comply with the New York Health Care Reform Act of 1996, as appropriate for those Members residing in New York, as well as all other applicable State or federal requirements.

- J. The Contractor shall comply with the regulations and policies as required by Records Management Services. The Contractor shall optimize the operational, time and cost efficiency of the State. The Contractor shall structure and maintain a reliable claims process, along with all required supporting documentation and retention.

All parties, including the Contractor, will be required to adhere to the records retention schedules issued by the State of New Jersey. In the event of conflicts among the various authorities for retention scheduling of a particular type of record, the agency and vendor shall adopt the schedule that reflects the longest time period for retention of that record.

All records created and maintained by the Contractor on behalf of the State agencies must be stored in open formats that allow for migration of the records to readable formats over the course of time.

Prior to the commencement of the contractual engagement, the agency shall provide the Contractor with initial records series and retention/disposition policies for the State of New Jersey. Following the commencement of the engagement, when required and at the direction of the agency, the Contractor will work with the agency to update the records series classifications and retention/disposition policies.

4.1.15 RATE RENEWAL AND REVISION SERVICES

The Contractor shall:

- A. Participate in the State's rate renewal process annually, including but not limited to a pre-renewal meeting, a renewal meeting, and the presentation of rates to the Commissions;
- B. Provide a renewal packet as requested by DPB and its designated consultants; and
- C. Develop cost projections upon renewal for proposed benefit changes as requested.

4.1.16 REPORTING REQUIREMENTS

The Contractor shall report to the SCM on all required modifications to the Plan's benefit provisions and/or administrative procedures for compliance with federal or State enacted legislation and, upon request, provide an estimated cost associated with same.

The Contractor shall cooperate with State personnel and consultants on all areas of reporting, including the setup and ongoing maintenance of interfaces to securely send data file feeds on at least a monthly basis to the State's designated consultant(s).

The Contractor shall cooperate with State personnel and consultants on all areas of reporting, upon request, including, but not limited to, providing:

- A. All required modifications to the Plan's benefit provisions and/or administrative procedures for compliance with federal or State enacted legislation and, upon request, provide an estimated cost associated with same;
- B. The setup and ongoing maintenance of interfaces to securely send data file feeds in real-time to other designated third party by the SCM.

The Contractor shall cooperate with State personnel, designated consultants, and any other designated third-party vendors, including but not limited to data warehouse and Claim/Invoice integrity vendors, to share Claim/Invoices level data and provide access to review Claim/Invoices data within Contractor's system.

The Contractor shall provide access to Claim/Invoice data and eligibility data for all implemented programs or point solutions contracted to support the delivery of services to SHBP members.

The Contractor, as part of the award, shall provide an annual refresh of the data provided in Attachment A - Disruption Workbook and Revised Attachment B - Discount Workbook of the Bid Solicitation, to the SCM and designated consultant(s) in order for the SCM to understand any changes in network discounts.

Data files shall be provided electronically in an agreed upon format along with a corresponding data dictionary and explanations for any data codes. Contractor should also notify the State and the consultants at least six (6) months in advance of any anticipated changes in the monthly data feed. This advance notice shall also be accompanied with an updated new test file under the new format with the updated data dictionary.

In addition, all customer service, medical and network management, and reporting services shall be continued for a period of a minimum of twelve (12) months following Plan termination. The Contractor shall not charge any additional fees at termination for these services.

Required reports are as follows:

- C. **Monthly Paid Claim/Invoice Summary Report** – On a monthly basis, no later than 20 Calendar Days after the end of the month, a report of all Claim/Invoices paid in the month along with the incurred year and with a rolling prior 12 months of past paid Claim/Invoices including the past month (the report shall also include any reconciliation or adjustment for overpayment collected in the prior 12 months of past paid Claim/Invoices), by the following variables:
 - 1. Employer type (i.e., State, Local Government);
 - 2. Employee type (i.e., Active, Early Retiree);
 - 3. Place of service identifier (i.e. inpatient facility, outpatient facility, ambulatory surgery center etc.);
 - 4. Plan Option (i.e. PPO10, PPO15, etc.).
- D. **Quarterly Engagement Report** – On a minimum of a quarterly basis, no later than 45 Calendar Days after quarter end, develop and provide a report that shows the Member engagement results, including, but not limited to, actual engagement results and a comparison of Program experience with Contractor’s book of business and other public sector clients including comparisons to those similarly situated. Contractors shall also have the ability to provide ad-hoc reports as necessary and ensure accessibility to DPB personnel for review and manipulation of Claim/Invoices data for generation of ad hoc reports;
- E. **Quarterly Utilization Report** – On a minimum of a quarterly basis, no later than 45 Calendar Days after quarter end, develop and provide a report that shows cost and utilization patterns (by Employer Type, Employee Type, and split by plan as indicated), including, but not limited to:
 - 1. Utilization, and price trends by type of service;
 - 2. Comparison of Plan experience with Contractor’s book of business and other public sector clients; and

The Contractor shall also provide ad-hoc reports as necessary and ensure accessibility to DPB personnel for review and manipulation of Claim/Invoices data for generation of ad hoc reports;
- F. **Annual Review** – Annually, within 30 Calendar Days after the agreed upon claims run out period of each calendar year, the Contractor shall meet with the SCM, other State personnel, and consultants to review the Plan’s Claim/Invoice experience. The review topics shall include, but need not be limited to, the following:
 - 1. Summary of utilization delineated by State, Local Government Employers and by Actives, Early Retirees, and Medicare Retirees;
 - 2. Relevant demographic characteristics ;
 - 3. Experience by diagnostic grouping and type of service;
 - 4. Plan utilization compared to Contractor’s book of business and other public sector clients;
 - 5. Summary of all payments to applicable Providers
- G. **Quarterly Performance Reporting** – Report in a manner established by DPB on all Performance Standards. Contractor shall provide detailed reporting, 45 Calendar Days after the end of the quarter, necessary for DPB or any designee chosen by DPB to independently evaluate Performance Standards results;

- H. **Annual Claim/Invoice Target and Financial Guarantee Reporting** – Report in a manner established by DPB on all Financial Guarantees (Claim/Invoice Target and Financial Guarantee). Contractor shall provide detailed reporting, 45 days after the end of the 3-month run off period for the Plan Year, necessary for DPB or any designee chosen by DPB to independently evaluate Financial Guarantees (Claim/Invoice Target and Financial Guarantee) results;
- I. **Ad-Hoc Reporting** – Contractors shall also provide ad-hoc reports as necessary and ensure accessibility to DPB personnel for review and manipulation of Claim/Invoices data for generation of ad hoc reports, no later than 20 Calendar Days after request.

4.1.17 FINANCIAL REPORTS

The Contractor shall provide the financial reports as follows:

- A. **Annual Reports** – Provide an estimate of incurred unpaid Claim/Invoices, actual administrative fees and actual amounts of outstanding checks as of June 30 of each year. The reports and estimate shall be broken down between State and participating Local Government Employers and provided to the Commissions by June 20 of each year. Bank reconciliation and other related reports are the Contractor's responsibility.

The Contractor shall comply with the State of New Jersey Unclaimed Property laws and regulations in regard to escheated unclaimed monies and provide DPB with an annual report identifying any outstanding checks more than twelve months from the date of issue. The report shall be used for escheat purposes and should conform to the reporting formats required by the State's Unclaimed Property Unit.

4.1.18 FINANCIAL GUARANTEES

The Contractor shall provide the financial guarantees as follows:

Place fees at risk (amount to be determined and mutually agreed upon) for operational, financial and/or clinical performance on Exhibit 1- Surgery COE Performance Guarantees.

4.1.19 ADMINISTRATIVE FEE REQUIREMENTS

The Administrative Fee will be determined as outlined in the price sheet instructions, please see State Supplied Price Sheet.

5 GENERAL CONTRACT TERMS

The Contractor shall have sole responsibility for the complete effort specified in this Contract. Payment will be made only to the Contractor. The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under this Contract. The Contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this Contract shall not in any way relieve the Contractor of responsibility for the technical adequacy of its work. The review, approval, Acceptance or payment for any of the deliverables, goods or services, shall not be construed as a waiver of any rights that the State may have arising out of the Contractor's performance of this Contract.

5.1 CONTRACT TERM AND EXTENSION OPTION

The term of this Contract shall be for a period of 3 years with two (2) one (1) year extensions.

5.2 CONTRACT TRANSITION

If the State extends the COE program, in the event that a new Contract has not been awarded prior to the expiration date for this Contract, the State may exercise this Contract transition, the Contractor shall continue this Contract under the same terms, conditions, and pricing until a new Contract can be completely operational. At no time shall this transition period extend more than 365 Calendar Days beyond the expiration date of this Contract, including any extensions exercised.

During the transition period, the Contractor will be required to perform all duties as described in this Contract. Contractor is expected to put a plan in place and submit to the DPB to end services accordingly, included but not limited to:

1. Proposed approach to transition;
2. Tasks and timeline for transition;
3. Documentation update procedure during transition;
4. Member communication strategy
5. Turning in any/all final reports, data, files owed or requested by DPB

5.3 OWNERSHIP OF MATERIAL

- A. **State Data** – The State owns State Data. Contractor shall not obtain any right, title, or interest in any State data, or information derived from or based on State Data. State Data provided to Contractor shall be delivered or returned to the State of New Jersey upon thirty (30) days' notice by the State or thirty (30) days after the expiration or termination of the Contract. Except as specifically required by the requirements of the RFQ, State Data shall not be disclosed, sold, assigned, leased or otherwise disposed of to any person or entity other than the State unless specifically directed to do so in writing by the State Contract Manager.
- B. **Work Product; Services** – The State owns all Deliverables developed for the State in the course of providing Services under the Contract, including but not limited to, all data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the Contract, including but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the Services required under the Contract.
- C. **Contractor Intellectual Property; Commercial off the Shelf Software (COTS) and Customized Software** – Contractor retains ownership of all Contractor Intellectual Property, and any modifications thereto and derivatives thereof, that the Contractor supplies to the State pursuant to the Contract, and grants the State a non-exclusive, royalty-free license to use Contractor Intellectual Property delivered to the State for the purposes contemplated by the Contract for the duration of the Contract including all extensions. In the event Contractor provides its standard license agreement terms with its Quote, such terms and conditions must comply with *RFQ Section 1.4 – Order of Precedence of Contractual Terms*.
- D. **Third Party Intellectual Property** – Unless otherwise specified in the RFQ that the State, on its own, will acquire and obtain a license to Third Party Intellectual Property, Contractor shall secure on the State's behalf, in the name of the State and subject to the State's approval, a license to Third Party Intellectual Property sufficient to fulfill

the business objectives, requirements and specifications identified in the Contract at no additional cost to the State beyond that in the Quote price. In the event Contractor is obligated to flow-down commercially standard third party terms and conditions customarily provided to the public associated with Third Party Intellectual Property and such terms and conditions conflict with RFQ requirements, including the SSTC, the State will accept such terms and conditions with the exception of the following: indemnification, limitation of liability, choice of law, governing law, jurisdiction, and confidentiality. The RFQ including the SSTC shall prevail with respect to such conflicting terms and conditions. In addition, the State will not accept any provision requiring the State to indemnify a third party or to submit to arbitration. Such terms are considered void and of no effect. Third party terms and conditions should be submitted with the Quote. If Contractor uses Third Party Intellectual Property, Contractor must indemnify the State for infringement claims with respect to the Third Party Intellectual Property. Contractor agrees that its use of Third Party Intellectual Property shall be consistent with the license for the Third Party Intellectual Property, whether supplied by the Contractor, secured by the State as required by the RFQ, or otherwise supplied by the State.

- E. **Work Product; Custom Software** – The State owns all Custom Software which shall be considered “work made for hire”, i.e., the State, not the Contractor, Subcontractor, or third party, shall have full and complete ownership of all such Custom Software. To the extent that any Custom Software may not, by operation of the law, be a “work made for hire” in accordance with the terms of the Contract, Contractor, Subcontractor, or third party hereby assigns to the State, or Contractor shall cause to be assigned to the State, all right, title and interest in and to any such Custom Software and any copyright thereof, and the State shall have the right to obtain and hold in its own name any copyrights, registrations and any other proprietary rights that may be available.
- F. **State Intellectual Property** – The State owns all State Intellectual Property provided to Contractor pursuant to the Contract. State Intellectual Property shall be delivered or returned to the State of New Jersey upon thirty (30) days’ notice by the State or thirty (30) days after the expiration or termination of the Contract. The State grants Contractor a non-exclusive, royalty-free, license to use State Intellectual Property for the purposes contemplated by the Contract. Except as specifically required by the requirements of the RFQ, State Intellectual Property shall not be disclosed, sold, assigned, leased or otherwise disposed of to any person or entity other than the State unless specifically directed to do so in writing by the State Contract Manager. The State’s license to Contractor is limited by the term of the Contract and the confidentiality obligations set forth in *RFQ Section 6 – Data Security Requirements – Contractor Responsibility*.
- G. **No Rights** – Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon Contractor any right, title, or interest in State Intellectual Property or any intellectual property that is now owned or licensed to or subsequently owned by or licensed by the State. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any Contractor Intellectual Property that is now owned or subsequently owned by Contractor. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any Third Party Intellectual Property that is now owned or subsequently owned by a third party.

5.4 SUBSTITUTION OF STAFF

If a Contractor needs to substitute any management, supervisory or key personnel, the Contractor shall identify the substitute personnel and the work to be performed. The Contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted for the individual(s) proposed as substitute(s) who must have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The Contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the Contractor has received written approval to proceed from the State Contract Manager.

5.5 ELECTRONIC PAYMENTS

With the award of this Contract, the successful Contractor(s) will be required to receive its payment(s) electronically. In order to receive payments via automatic deposit from the State of New Jersey, the Contractor must complete the EFT information within its **NJSTART** Vendor Profile. Please refer to the QRG entitled “Vendor Profile Management – Company Information and User Access” for instructions.

6 DATA SECURITY REQUIREMENTS – CONTRACTOR RESPONSIBILITY

6.1 INFORMATION SECURITY PROGRAM MANAGEMENT

The Contractor shall establish and maintain a framework to provide assurance that information security strategies are aligned with and support the State's business objectives, are consistent with applicable laws and regulations through adherence to policies and internal controls, and provide assignment of responsibility, in an effort to manage risk. Information security program management shall include, at a minimum, the following:

- A. Establishment of a management structure with clear reporting paths and explicit responsibility for information security;
- B. Creation, maintenance, and communication of information security policies, standards, procedures, and guidelines to include the control areas listed in sections below;
- C. Development and maintenance of relationships with external organizations to stay abreast of current and emerging security issues and for assistance, when applicable; and
- D. Independent review of the effectiveness of the Contractor's information security program.

6.2 COMPLIANCE

The Contractor shall develop and implement processes to ensure its compliance with all statutory, regulatory, contractual, and internal policy obligations applicable to this Contract. Examples include but are not limited to General Data Protection Regulation (GDPR), Payment Card Industry Data Security Standard (PCI DSS), Health Insurance Portability and Accountability Act of 1996 (HIPAA), IRS-1075. Contractor shall timely update its processes as applicable standards evolve.

- A. Within ten (10) Calendar Days after award, the Contractor shall provide the State with contact information for the individual or individuals responsible for maintaining a control framework that captures statutory, regulatory, contractual, and policy requirements relevant to the organization's programs of work and information systems;
- B. Throughout the solution development process, Contractor shall implement processes to ensure security assessments of information systems are conducted for all significant development and/or acquisitions, prior to information systems being placed into production; and
- C. The Contractor shall also conduct periodic reviews of its information systems on a defined frequency for compliance with statutory, regulatory, and contractual requirements. The Contractor shall document the results of any such reviews.

6.3 PERSONNEL SECURITY

The Contractor shall implement processes to ensure all personnel having access to relevant State information have the appropriate background, skills, and training to perform their job responsibilities in a competent, professional, and secure manner. Workforce security controls shall include, at a minimum:

- A. Position descriptions that include appropriate language regarding each role's security requirements;
- B. To the extent permitted by law, employment screening checks are conducted and successfully passed for all personnel prior to beginning work or being granted access to information assets;
- C. Rules of behavior are established and procedures are implemented to ensure personnel are aware of and understand usage policies applicable to information and information systems;
- D. Access reviews are conducted upon personnel transfers and promotions to ensure access levels are appropriate;
- E. Contractor disables system access for terminated personnel and collects all organization owned assets prior to the individual's departure; and
- F. Procedures are implemented that ensure all personnel are aware of their duty to protect information assets and their responsibility to immediately report any suspected information security incidents.

6.4 SECURITY AWARENESS AND TRAINING

The Contractor shall provide periodic and on-going information security awareness and training to ensure personnel are aware of information security risks and threats, understand their responsibilities, and are aware of the statutory, regulatory, contractual, and policy requirements that are intended to protect information systems and State Confidential Information from a loss of confidentiality, integrity, availability and privacy. Security awareness and training shall include, at a minimum:

- A. Personnel are provided with security awareness training upon hire and at least annually, thereafter;
- B. Security awareness training records are maintained as part of the personnel record;

- C. Role-based security training is provided to personnel with respect to their duties or responsibilities (e.g. network and systems administrators require specific security training in accordance with their job functions); and
- D. Individuals are provided with timely information regarding emerging threats, best practices, and new policies, laws, and regulations related to information security.

6.5 RISK MANAGEMENT

The Contractor shall establish requirements for the identification, assessment, and treatment of information security risks to operations, information, and/or information systems. Risk management requirements shall include, at a minimum:

- A. An approach that categorizes systems and information based on their criticality and sensitivity;
- B. An approach that ensures risks are identified, documented and assigned to appropriate personnel for assessment and treatment;
- C. Risk assessments shall be conducted throughout the lifecycles of information systems to identify, quantify, and prioritize risks against operational and control objectives and to design, implement, and exercise controls that provide reasonable assurance that security objectives will be met; and
- D. A plan under which risks are mitigated to an acceptable level and remediation actions are prioritized based on risk criteria and timelines for remediation are established. Risk treatment may also include the acceptance or transfer of risk.

6.6 PRIVACY

If there is State Data associated with the Contract, this section is applicable.

- A. Data Ownership. The State owns State Data. Contractor shall not obtain any right, title, or interest in any State Data, or information derived from or based on State Data.
- B. Data usage, storage, and protection of Personal Data are subject to all applicable international, federal and state statutory and regulatory requirements, as amended from time to time, including, without limitation, those for HIPAA, Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075), New Jersey State tax confidentiality statute, the New Jersey Privacy Notice found at NJ.gov, N.J.S.A. § 54:50-8, New Jersey Identity Theft Prevention Act, N.J.S.A. § 56:11-44 et. seq., the federal Drivers' Privacy Protection Act of 1994, Pub.L.103-322, and the confidentiality requirements of N.J.S.A. § 39:2-3.4. Contractor shall also conform to PCI DSS, where applicable.
- C. Security: Contractor agrees to take appropriate administrative, technical and physical safeguards reasonably designed to protect the security, privacy, confidentiality, and integrity of user information. Contractor shall ensure that State Data is secured and encrypted during transmission or at rest.
- D. Data Transmission: The Contractor shall only transmit or exchange State Data with other parties when expressly requested in writing and permitted by and in accordance with requirements of the Contract or the State of New Jersey. The Contractor shall only transmit or exchange State Data with the State of New Jersey or other parties through secure means supported by current technologies.
- E. Data Storage: All data provided by the State of New Jersey or State data obtained by the Contractor in the performance of the Contract must be stored, processed, and maintained solely in accordance with a project plan and system topology approved by the State Contract Manager. No State data shall be processed on or transferred to any device or storage medium including portable media, smart devices and/or USB devices, unless that device or storage medium has been approved in advance in writing by the State Contract Manager. The Contractor must not store or transfer State of New Jersey data outside of the United States.
- F. Data Re-Use: All State Data shall be used expressly and solely for the purposes enumerated in the Contract Data shall not be distributed, repurposed or shared across other applications, environments, or business units of the Contractor. No State Data shall be transmitted, exchanged or otherwise passed to other contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by the State Contract Manager.
- G. Data Breach: In the event of any actual, probable or reasonably suspected Breach of Security, or any unauthorized access to or acquisition, use, loss, destruction, compromise, alteration or disclosure of any Personal Data, Contractor shall: (a) immediately notify the State of such Breach of Security, but in no event later than 24 hours after learning of such security breach; (b) designate a single individual employed by Contractor who shall be available to the State 24 hours per day, seven (7) days per week as a contact regarding Contractor's obligations under *RFQ Section 6.34 - Incident Response*; (c) not provide any other notification or provide any disclosure to the public regarding such Breach of Security without the prior written consent of the State, unless required to provide

such notification or to make such disclosure pursuant to any applicable law, regulation, rule, order, court order, judgment, decree, ordinance, mandate or other request or requirement now or hereafter in effect, of any applicable governmental authority or law enforcement agency in any jurisdiction worldwide (in which case Contractor shall consult with the State and reasonably cooperate with the State to prevent any notification or disclosure concerning any Personal Data or Breach of Security); (d) assist the State in investigating, remedying and taking any other action the State deems necessary regarding any Breach of Security breach and any dispute, inquiry, or claim that concerns the Breach of Security; (e) follow all instructions provided by the State relating to the Personal Data affected or potentially affected by the Breach of Security; (f) take such actions as necessary to prevent future Breaches of Security; and (g) unless prohibited by an applicable statute or court order, notify the State of any third party legal process relating to any Breach of Security including, at a minimum, any legal process initiated by any governmental entity (foreign or domestic).

- H. Minimum Necessary. Contractor shall ensure that State Data requested represents the minimum necessary information for the services as described in this RFQ and, unless otherwise agreed to in writing by the State, that only necessary individuals or entities who are familiar with and bound by the Contract will have access to the State Data in order to perform the work.
- I. End of Contract Data Handling: Upon termination/expiration of this Contract the Contractor shall first return all State Data to the State in a usable format as defined in the Contract, or in an open standards machine-readable format if not. The Contractor shall then erase, destroy, and render unreadable all Contractor backup copies of State Data according to the standards enumerated in accordance with the State's most recent Media Protection policy, <https://www.cyber.nj.gov/grants-and-resources/state-resources/statewide-information-security-manual-ism>, and certify in writing that these actions have been completed within thirty (30) Calendar Days after the termination/expiration of the Contract or within seven (7) Business Days of the request of an agent of the State whichever should come first.
- J. In the event of loss of any State Data or records where such loss is due to the intentional act, omission, or negligence of the Contractor or any of its Subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the State Contract Manager. The Contractor shall ensure that all State Data is backed up and is recoverable by the Contractor. In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of State data.

6.7 ASSET MANAGEMENT

The Contractor shall implement administrative, technical, and physical controls necessary to safeguard information technology assets from threats to their confidentiality, integrity, or availability, whether internal or external, deliberate or accidental. Asset management controls shall include at a minimum:

- A. Information technology asset identification and inventory;
- B. Assigning custodianship of assets; and
- C. Restricting the use of non-authorized devices.

6.8 SECURITY CATEGORIZATION

The Contractor shall implement processes that classify information and categorize information systems throughout their lifecycles according to their sensitivity and criticality, along with the risks and impact in the event that there is a loss of confidentiality, integrity, availability, or breach of privacy. Information classification and system categorization includes labeling and handling requirements. Security categorization controls shall include the following, at a minimum:

- A. Implementing a data protection policy;
- B. Classifying data and information systems in accordance with their sensitivity and criticality;
- C. Masking sensitive data that is displayed or printed; and
- D. Implementing handling and labeling procedures.

6.9 MEDIA PROTECTION

The Contractor shall establish controls to ensure data and information, in all forms and mediums, are protected throughout their lifecycles based on their sensitivity, value, and criticality, and the impact that a loss of confidentiality, integrity, availability, and privacy would have on the Contractor, business partners, or individuals. Media protections shall include, at a minimum:

- A. Media storage/access/transportation;

- B. Maintenance of sensitive data inventories;
- C. Application of cryptographic protections;
- D. Restricting the use of portable storage devices;
- E. Establishing records retention requirements in accordance with business objectives and statutory and regulatory obligations; and
- F. Media disposal/sanitization.

6.10 CRYPTOGRAPHIC PROTECTIONS

The Contractor shall employ cryptographic safeguards to protect sensitive information in transmission, in use, and at rest, from a loss of confidentiality, unauthorized access, or disclosure. Cryptographic protections shall include at a minimum:

- A. Using industry standard encryption algorithms;
- B. Establishing requirements for encryption of data in transit;
- C. Establishing requirements for encryption of data at rest; and
- D. Implementing cryptographic key management processes and controls.

6.11 ACCESS MANAGEMENT

The Contractor shall establish security requirements and ensure appropriate mechanisms are provided for the control, administration, and tracking of access to, and the use of, the Contractor's information systems that contain or could be used to access State data. Access management plan shall include the following features:

- A. Ensure the principle of least privilege is applied for specific duties and information systems (including specific functions, ports, protocols, and services), so processes operate at privilege levels no higher than necessary to accomplish required organizational missions and/or functions;
- B. Implement account management processes for registration, updates, changes and de-provisioning of system access;
- C. Apply the principles of least privilege when provisioning access to organizational assets;
- D. Provision access according to an individual's role and business requirements for such access;
- E. Implement the concept of segregation of duties by disseminating tasks and associated privileges for specific sensitive duties among multiple people;
- F. Conduct periodic reviews of access authorizations and controls.

6.12 IDENTITY AND AUTHENTICATION

The Contractor shall establish procedures and implement identification, authorization, and authentication controls to ensure only authorized individuals, systems, and processes can access the State's information and Contractor's information and information systems. Identity and authentication provides a level of assurance that individuals who log into a system are who they say they are. Identity and authentication controls shall include, at a minimum:

- A. Establishing and managing unique identifiers (e.g. User-IDs) and secure authenticators (e.g. passwords, biometrics, personal identification numbers, etc.) to support nonrepudiation of activities by users or processes; and
- B. Implementing multi-factor authentication (MFA) requirements for access to sensitive and critical systems, and for remote access to the Contractor's systems.

6.13 REMOTE ACCESS

The Contractor shall strictly control remote access to the Contractor's internal networks, systems, applications, and services. Appropriate authorizations and technical security controls shall be implemented prior to remote access being established. Remote access controls shall include at a minimum:

- A. Establishing centralized management of the Contractor's remote access infrastructure;
- B. Implementing technical security controls (e.g. encryption, multi-factor authentication, IP whitelisting, geo-fencing); and
- C. Training users in regard to information security risks and best practices related remote access use.

In the event the Contractor shall be approved to utilize State-provided remote access connectivity to conduct work on systems, networks, and data repositories managed and hosted within the New Jersey Garden State Network (GSN) for

State approved business, the Contractor shall collaborate with the State in accordance with State defined usage restrictions, configuration/connection requirements, and implementation guidance for remote access into the GSN.

6.14 SECURITY ENGINEERING AND ARCHITECTURE

The Contractor shall employ security engineering and architecture principles for all information technology assets, and such principles shall incorporate industry recognized leading security practices and sufficiently address applicable statutory and regulatory obligations. Applying security engineering and architecture principles shall include:

- A. Implementing configuration standards that are consistent with industry-accepted system hardening standards and address known security vulnerabilities for all system components;
- B. Establishing a defense in-depth security posture that includes layered technical, administrative, and physical controls;
- C. Incorporating security requirements into the systems throughout their life cycles;
- D. Delineating physical and logical security boundaries;
- E. Tailoring security controls to meet organizational and operational needs;
- F. Performing threat modeling to identify use cases, threat agents, attack vectors, and attack patterns as well as compensating controls and design patterns needed to mitigate risk;
- G. Implementing controls and procedures to ensure critical systems fail-secure and fail-safe in known states; and
- H. Ensuring information system clock synchronization.

6.15 CONFIGURATION MANAGEMENT

The Contractor shall ensure that baseline configuration settings are established and maintained in order to protect the confidentiality, integrity, and availability of all information technology assets. Secure configuration management shall include, at a minimum:

- A. Hardening systems through baseline configurations; and
- B. Configuring systems in accordance with the principle of least privilege to ensure processes operate at privilege levels no higher than necessary to accomplish required functions.

6.16 ENDPOINT SECURITY

The Contractor shall ensure that endpoint devices are properly configured, and measures are implemented to protect information and information systems from a loss of confidentiality, integrity, and availability. Endpoint security shall include, at a minimum:

- A. Maintaining an accurate and updated inventory of endpoint devices;
- B. Applying security categorizations and implementing appropriate and effective safeguards on endpoints;
- C. Maintaining currency with operating system and software updates and patches;
- D. Establishing physical and logical access controls;
- E. Applying data protection measures (e.g. cryptographic protections);
- F. Implementing anti-malware software, host-based firewalls, and port and device controls;
- G. Implementing host intrusion detection and prevention systems (HIDS/HIPS) where applicable;
- H. Restricting access and/or use of ports and I/O devices; and
- I. Ensuring audit logging is implemented and logs are reviewed on a continuous basis.

6.17 ICS/SCADA/OT SECURITY

The Contractor shall implement controls and processes to ensure risks, including risks to human safety, are accounted for and managed in the use of Industrial Control Systems (ICS), Supervisory Control and Data Acquisition (SCADA) systems and Operational Technologies (OT). ICS/SCADA/OT Security requires the application of all of the enumerated control areas in this RFQ, including, at a minimum:

- A. Conducting risk assessments prior to implementation and throughout the lifecycles of ICS/SCADA/OT assets;
- B. Developing policies and standards specific to ICS/SCADA/OT assets;
- C. Ensuring the secure configuration of ICS/SCADA/OT assets;
- D. Segmenting ICS/SCADA/OT networks from the rest of the Contractor's networks;
- E. Ensuring least privilege and strong authentication controls are implemented;
- F. Implementing redundant designs or failover capabilities to prevent business disruption or physical damage; and
- G. Conducting regular maintenance on ICS/SCADA/OT systems.

6.18 INTERNET OF THINGS SECURITY

The Contractor shall implement controls and processes to ensure risks are accounted for and managed in the use of Internet of Things (IoT) devices including, but not limited to, physical devices, vehicles, appliances and other items embedded with electronics, software, sensors, actuators, and network connectivity which enables these devices to connect and exchange data. IoT. IoT security shall include, at a minimum, the following:

- A. Developing policies and standards specific to IoT assets;
- B. Ensuring the secure configuration of IoT assets;
- C. Conducting risk assessments prior to implementation and throughout the lifecycles of IoT assets;
- D. Segmenting IoT networks from the rest of the Contractor's networks; and
- E. Ensuring least privilege and strong authentication controls are implemented.

6.19 VULNERABILITY AND PATCH MANAGEMENT

The Contractor shall implement proactive vulnerability identification, remediation, and patch management practices to minimize the risk of a loss of confidentiality, integrity, and availability of information system, networks, components, and applications. Vulnerability and patch management practices shall include, at a minimum, the following:

- A. Prioritizing vulnerability scanning and remediation activities based on the criticality and security categorization of systems and information, and the risks associated with a loss of confidentiality, integrity, availability, and/or privacy;
- B. Maintaining software and operating systems at the latest vendor-supported patch levels;
- C. Conducting penetration testing and red team exercises; and
- D. Employing qualified third-parties to periodically conduct Independent vulnerability scanning, penetration testing, and red-team exercises.

6.20 MOBILE DEVICE SECURITY

The Contractor shall establish administrative, technical, and physical security controls required to effectively manage the risks introduced by mobile devices used for organizational business purposes. Mobile device security shall include, at a minimum, the following:

- A. Establishing requirements for authorization to use mobile devices for organizational business purposes;
- B. Establishing Bring Your Own Device (BYOD) processes and restrictions;
- C. Establishing physical and logical access controls;
- D. Implementing network access restrictions for mobile devices;
- E. Implementing mobile device management solutions to provide centralized management of mobile devices and to ensure technical security controls (e.g. encryption, authentication, remote-wipe, etc.) are implemented and updated as necessary;
- F. Establishing approved application stores from which applications can be acquired;
- G. Establishing lists approved applications that can be used; and
- H. Training of mobile device users regarding security and safety.

6.21 NETWORK SECURITY

The Contractor shall implement defense-in-depth and least privilege strategies for securing the information technology networks that it operates. To ensure information technology resources are available to authorized network clients and protected from unauthorized access, the Contractor shall:

- A. Include protection mechanisms for network communications and infrastructure (e.g. layered defenses, denial of service protection, encryption for data in transit, etc.);
- B. Include protection mechanisms for network boundaries (e.g. limit network access points, implement firewalls, use Internet proxies, restrict split tunneling, etc.);
- C. Control the flow of information (e.g. deny traffic by default/allow by exception, implement Access Control Lists, etc.); and
- D. Control access to the Contractor's information systems (e.g. network segmentation, network intrusion detection and prevention systems, wireless restrictions, etc.).

6.22 CLOUD SECURITY

The Contractor shall establish security requirements that govern the use of private, public, and hybrid cloud environments to ensure risks associated with a potential loss of confidentiality, integrity, availability, and privacy are managed. This shall ensure, at a minimum, the following:

- A. Security is accounted for in the acquisition and development of cloud services;
- B. The design, configuration, and implementation of cloud-based applications, infrastructure and system-system interfaces are conducted in accordance with mutually agreed-upon service, security, and capacity-level expectations;
- C. Security roles and responsibilities for the Contractor and the cloud provider are delineated and documented; and
- D. Controls necessary to protect sensitive data in public cloud environments are implemented.

6.23 CHANGE MANAGEMENT

The Contractor shall establish controls required to ensure change is managed effectively. Changes are appropriately tested, validated, and documented before implementing any change on a production network. Change management provides the Contractor with the ability to handle changes in a controlled, predictable, and repeatable manner, and to identify, assess, and minimize the risks to operations and security. Change management controls shall include, at a minimum, the following:

- A. Notifying all stakeholder of changes;
- B. Conducting a security impact analysis and testing for changes prior to rollout; and
- C. Verifying security functionality after the changes have been made.

6.24 MAINTENANCE

The Contractor shall implement processes and controls to ensure that information assets are properly maintained, thereby minimizing the risks from emerging information security threats and/or the potential loss of confidentiality, integrity, or availability due to system failures. Maintenance security shall include, at a minimum, the following:

- A. Conducting scheduled and timely maintenance;
- B. Ensuring individuals conducting maintenance operations are qualified and trustworthy; and
- C. Vetting, escorting and monitoring third-parties conducting maintenance operations on information technology assets.

6.25 THREAT MANAGEMENT

The Contractor shall establish effective communication protocols and processes to collect and disseminate actionable threat intelligence, thereby providing component units and individuals with the information necessary to effectively manage risk associated with new and emerging threats to the organization's information technology assets and operations. Threat management includes, at a minimum:

- A. Developing, implementing, and governing processes and documentation to facilitate the implementation of a threat awareness policy, as well as associated standards, controls and procedures.
- B. Subscribing to and receiving relevant threat intelligence information from the US CERT, the organization's contractors, and other sources as appropriate.

6.26 CONTINUOUS MONITORING

The Contractor shall implement continuous monitoring practices to establish and maintain situational awareness regarding potential threats to the confidentiality, integrity, availability, privacy and safety of information and information systems through timely collection and review of security-related event logs. Continuous monitoring practices shall include, at a minimum, the following:

- A. Centralizing the collection and monitoring of event logs;
- B. Ensuring the content of audit records includes all relevant security event information;
- C. Protecting of audit records from tampering; and
- D. Detecting, investigating, and responding to incidents discovered through monitoring.

6.27 SYSTEM DEVELOPMENT AND ACQUISITION

The Contractor shall establish security requirements necessary to ensure that systems and application software programs developed by the Contractor or third-parties (e.g. vendors, contractors, etc.) perform as intended to maintain information

confidentiality, integrity, and availability, and the privacy and safety of individuals. System development and acquisition security practices shall include, at a minimum, the following:

- A. Secure coding;
- B. Separation of development, testing, and operational environments;
- C. Information input restrictions;
- D. Input data validation;
- E. Error handling;
- F. Security testing throughout development;
- G. Restrictions for access to program source code; and
- H. Security training of software developers and system implementers.

6.28 PROJECT AND RESOURCE MANAGEMENT

The Contractor shall ensure that controls necessary to appropriately manage risks are accounted for and implemented throughout the System Development Life Cycle (SDLC). Project and resource management security practices shall include, at a minimum:

- A. Defining and implementing security requirements;
- B. Allocating resources required to protect systems and information; and
- C. Ensuring security requirements are accounted for throughout the SDLC.

6.29 CAPACITY AND PERFORMANCE MANAGEMENT

The Contractor shall implement processes and controls necessary to protect against avoidable impacts to operations by proactively managing the capacity and performance of its critical technologies and supporting infrastructure. Capacity and performance management practices shall include, at a minimum, the following:

- A. Ensuring the availability, quality, and adequate capacity of compute, storage, memory and network resources are planned, prepared, and measured to deliver the required system performance and future capacity requirements; and
- B. Implementing resource priority controls to prevent or limit Denial of Service (DoS) effectiveness.

6.30 THIRD PARTY MANAGEMENT

The Contractor shall implement processes and controls to ensure that risks associated with third-parties (e.g. vendors, contractors, business partners, etc.) providing information technology equipment, software, and/or services are minimized or avoided. Third party management processes and controls shall include, at a minimum:

- A. Tailored acquisition strategies, contracting tools, and procurement methods for the purchase of systems, system components, or system service from suppliers;
- B. Due diligence security reviews of suppliers and third parties with access to the Contractor's systems and sensitive information;
- C. Third party interconnection security; and
- D. Independent testing and security assessments of supplier technologies and supplier organizations.

6.31 PHYSICAL AND ENVIRONMENTAL SECURITY

The Contractor shall establish physical and environmental protection procedures that limit access to systems, equipment, and the respective operating environments, to only authorized individuals. The Contractor ensures appropriate environmental controls in facilities containing information systems and assets, to ensure sufficient environmental conditions exist to avoid preventable hardware failures and service interruptions. Physical and environmental controls shall include, at a minimum, the following:

- A. Physical access controls (e.g. locks, security gates and guards, etc.);
- B. Visitor controls;
- C. Security monitoring and auditing of physical access;
- D. Emergency shutoff;
- E. Emergency power;
- F. Emergency lighting;
- G. Fire protection;
- H. Temperature and humidity controls;

- I. Water damage protection; and
- J. Delivery and removal of information assets controls.

6.32 CONTINGENCY PLANNING

The Contractor shall develop, implement, test, and maintain a contingency plan to ensure continuity of operations for all information systems that deliver or support essential or critical business functions on behalf of the Contractor. The plan shall address the following:

- A. Backup and recovery strategies;
- B. Continuity of operations;
- C. Disaster recovery; and
- D. Crisis management.

6.33 INCIDENT RESPONSE

The Contractor shall maintain an information security incident response capability that includes adequate preparation, detection, analysis, containment, recovery, and reporting activities. Information security incident response activities shall include, at a minimum, the following:

- A. Information security incident reporting awareness;
- B. Incident response planning and handling;
- C. Establishment of an incident response team;
- D. Cybersecurity insurance;
- E. Contracts with external incident response services specialists; and
- F. Contacts with law enforcement cybersecurity units.

6.34 TAX RETURN DATA SECURITY

NOT APPLICABLE TO THIS PROCUREMENT.

7 MODIFICATIONS TO THE STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS

Contractor shall adhere to the State Standard Terms and Conditions (SSTCs) and indemnification language within. The following sections supplement/in addition to the SSTCs for this RFQ.

7.1 INSURANCE

7.1.1 PROFESSIONAL LIABILITY INSURANCE

Section 4.2 of the SSTC is supplemented with the following:

Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance, and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out of the professional obligations performed pursuant to the requirements of this Contract. The insurance shall be in the amount of not less than \$3,000,000 per each occurrence and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of this Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance, and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

7.1.2 CYBER BREACH INSURANCE

Section 4.2 of the SSTC supplemented with the following:

Cyber Breach Insurance: The Contractor shall carry Cyber Breach Insurance in an amount sufficient to protect the Contractor from any liability arising out of its performance pursuant to the requirements of this Contract. The insurance shall be in an amount of not less than \$5,000,000 per each occurrence and in such policy forms as shall be approved by the State. The insurance shall at a minimum cover the following: Data loss, malware, ransomware and similar breaches to computers, servers and software; Protection against third-party claims; cost of notifying affected parties; cost of providing credit monitoring to affected parties; forensics; cost of public relations consultants; regulatory compliance costs; costs to pursue indemnity rights; costs to Data Breach and Credit Monitoring Services analyze the insured's legal response obligations; costs of defending lawsuits; judgments and settlements; regulatory response costs; costs of responding to regulatory investigations; and costs of settling regulatory claims.

7.1.3 LIMITATION OF LIABILITY OPTIONS

Section 4.0 of the SSTC is supplemented with the following:

4.3 LIMITATION OF LIABILITY

The Contractor's liability to the State for actual, direct damages resulting from the Contractor's performance or non-performance of, or in any manner related to this Contract, for any and all claims, shall be limited in the aggregate to 200% of the fees paid to Contractor for the products or Services giving rise to such damages. This limitation of liability shall not apply to the following:

- A. The Contractor's indemnification obligations as described in the SSTC Section 4.1; and
- B. The Contractor's breach of its obligations of confidentiality described in this RFQ; and

The Contractor's indemnification obligation is not limited by but is in addition to the insurance obligations.

The Contractor shall not be liable for special, consequential, or incidental damages.

8 QUOTE EVALUATION AND AWARD

8.1 RECIPROCITY FOR JURISDICTIONAL BIDDER PREFERENCE

In accordance with N.J.S.A. 52:32-1.4, the State of New Jersey will invoke reciprocal action against an out-of-State Bidder whose state or locality maintains a preference practice for its in-state Bidders. The State of New Jersey will use the annual surveys compiled by the Council of State Governments, National Association of State Procurement Officials, or the National Institute of Governmental Purchasing or a State's statutes and regulations to identify States having preference laws, regulations, or practices and to invoke reciprocal actions. The State of New Jersey may obtain additional information as it deems appropriate to supplement the stated survey information.

A Bidder may submit information related to preference practices enacted for a State or Local entity outside the State of New Jersey. This information may be submitted in writing as part of the Quote response, including name of the locality having the preference practice, as well as identification of the county and state, and should include a copy of the appropriate documentation, i.e., resolution, regulation, law, notice to Bidder, etc. It is the responsibility of the Bidder to provide documentation with the Quote or submit it to the DPB within five (5) Business Days after the deadline for Quote submission. Written evidence for a specific procurement that is not provided to the DPB within five (5) Business Days of the public Quote submission date may not be considered in the evaluation of that procurement, but may be retained and considered in the evaluation of subsequent procurements.

8.2 CLARIFICATION OF QUOTE

After the Quote Opening Date, unless requested by the State as noted below, Bidder contact with the DPB regarding this RFQ and the submitted Quote is not permitted. After the Quotes are reviewed, one (1), some or all of the Bidders may be asked to clarify inconsistent statement contained within the submitted Quote.

8.3 TIE QUOTES

In the event that proposals submitted by two or more Bidders are tied with respect to price, and the application of the other evaluation criteria specified in the RFQ does not provide a basis to distinguish between or among the tied proposals, the Director shall award the contract based on a review of the following factors listed in order of priority:

1. Tie-breaking provision(s) set forth in the RFQ;
2. A usable cash- or volume-based discount that renders one proposal more favorably priced;
3. Delivery advantage, specifically shorter proposed time frames for delivery and/or closer proximity to the point of delivery;
4. Active registration on the date of proposal opening as an approved small business with the Department of the Treasury unit responsible for administering the State's small business registration program; and
5. In-State location.

When application of the above distinguishing factors does not result in a breaking of the tie status, the Director may, if practicable, make multiple awards.

8.4 STATE'S RIGHT TO CHECK REFERENCES

The State may also consult with clients of the Bidder during the evaluation of Quotes. Such consultation is intended to assist the State in making a Contract award that is most advantageous to the State.

8.5 EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate Quotes received in response to this RFQ. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process.

8.5.1 TECHNICAL EVALUATION CRITERIA

The following criteria will be used to evaluate and score Quotes received in response to this RFQ. Each criterion will be scored, and each score multiplied by a predetermined weight to develop the Technical Evaluation Score:

- A. Personnel: The qualifications and experience of the Bidder's management, supervisory, and key personnel assigned to the Contract, including the candidates recommended for each of the positions/roles required;
- B. Experience of firm: The Bidder's approach and documented experience in successfully completing Contract of a similar size and scope in relation to the work required by this RFQ; and

- C. Ability of firm to complete the Scope of Work based on its Technical Quote: The Bidder's demonstration in the Quote that the Bidder understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the Contract.

8.5.2 PRICE EVALUATION

For evaluation purposes, Bidders will be ranked from lowest to highest according to the total Quote price located on the State-Supplied Price Sheet accompanying this RFQ.

8.6 QUOTE DISCREPANCIES

In evaluating Quotes, discrepancies between words and figures will be resolved in favor of words. Discrepancies between Unit Prices and totals of Unit Prices will be resolved in favor of Unit Prices. Discrepancies in the multiplication of units of work and Unit Prices will be resolved in favor of the Unit Prices. Discrepancies between the indicated total of multiplied Unit Prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum of the column of figures.

8.7 BEST AND FINAL OFFER (BAFO)

The DPB may invite one (1) Bidder or multiple Bidders to submit a Best and Final Offer (BAFO). Said invitation will establish the time and place for submission of the BAFO. Any BAFO that does not result in more advantageous pricing to the State will not be considered, and the State will evaluate the Bidder's most advantageous previously submitted pricing.

The DPB may conduct more than one (1) round of BAFO in order to attain the best value for the State.

BAFOs will be conducted only in those circumstances where it is deemed to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price Quote in response to this RFQ since the State may, after evaluation, make a Contract award based on the content of the initial submission.

If the DPB contemplates BAFOs, Quote prices will not be publicly read at the Quote opening. Only the name and address of each Bidder will be publicly announced at the Quote opening.

8.8 NEGOTIATION

In accordance with N.J.S.A. 52:34-12(f), after evaluating Quotes, DPB may enter into negotiations with one (1) Bidder or multiple Bidders. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one (1) Bidder or multiple Bidders. Negotiations will be structured by DOI to safeguard information and ensure that all Bidders are treated fairly.

Negotiations will be conducted only in those circumstances where it is deemed by the DPB to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price Quote in response to this RFQ since the State may, after evaluation, make a Contract award based on the content of the initial submission.

8.9 POOR PERFORMANCE

A Bidder with a history of performance problems may be bypassed for consideration of an award issued as a result of this RFQ. The following materials may be reviewed to determine Bidder performance:

- A. Contract cancellations for cause pursuant to *State of New Jersey Standard Terms and Conditions Section 5.7(B)*;
- B. Information contained in Contractor performance records;
- C. Information obtained from audits or investigations conducted by a local, state or federal agency of the Bidder's work experience;
- D. Current licensure, registration, and/or certification status and relevant history thereof; or
- E. Bidder's status or rating with established business/financial reporting services, as applicable.

Bidders should note that this list is not exhaustive.

8.10 CONTRACT AWARD

Contract award will be made with reasonable promptness by written notice to that responsible Bidder, whose Quote, conforming to this RFQ, is most advantageous to the State, price, and other factors considered. Any or all Quote may be rejected when the State determines that it is in the public interest to do so.

9 GLOSSARY

9.1 DEFINITIONS

Unless otherwise specified in this RFQ, the following definitions will be part of any Contract awarded, or order placed, as a result of this RFQ. Note that not all definitions included here apply to all RFQs.

Acceptance – The written confirmation by the Using Agency that Contractor has completed a Deliverable according to the specified requirements.

Administrative Change Order – A unilateral administrative modification to the Contract in the **NJSTART** system by the Division. Administrative Change Orders are not to be considered formal Contract Amendments.

All-Inclusive Hourly Rate – An hourly rate comprised of all direct and indirect costs including, but not limited to: labor costs, overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Authorized Purchasers – shall mean any State-Level government agency, department, office, instrumentality, division, unit or other entity in the Executive Branch ("State Purchasers"), Cooperative Purchasing Partners, and/or Intrastate Cooperative Purchasing Partners.

Best and Final Offer or BAFO – Pricing timely submitted by a Bidder upon invitation by the Procurement Bureau after Quote opening, with or without prior discussion or negotiation.

Bid or RFQ – The documents which establish the bidding and Contract requirements and solicits Quotes to meet the needs of the Using Agencies as identified herein, and includes the RFQ, State of New Jersey Standard Terms and Conditions (SSTC), State-Supplied Price Sheet, Attachments, and Bid Amendments.

Bid Amendment – Written clarification or revision to this RFQ issued by the Division. Bid Amendments, if any, will be issued prior to Quote opening.

Bid Opening Date – The date Quotes will be opened for evaluation and closed to further Quote submissions.

Bid Security - means a guarantee, in a form acceptable to the Division, that the bidder, if selected, will accept the contract as bid; otherwise, the bidder or, as

applicable, its guarantor will be liable for the amount of the loss suffered by the State, which loss may be partially or completely recovered by the State in exercising its rights against the instrument of bid security.

Bidder – An entity offering a Quote in response to the RFQ.

Breach of Security – as defined by N.J.S.A. 56:8-161, means unauthorized access to electronic files, media, or data containing Personal Data that compromises the security, confidentiality, or integrity of Personal Data when access to the Personal Data has not been secured by encryption or by any other method or technology that renders the Personal Data unreadable or unusable. Good faith acquisition of Personal Data by an employee or agent of the Provider for a legitimate business purpose is not a Breach of Security, provided that the Personal Data is not used for a purposes unrelated to the business or subject to further unauthorized disclosure.

Business Day – Any weekday, excluding Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Calendar Day – Any day, including Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Commercial off the Shelf Software or COTS - Software provided by Provider that is commercially available and that can be used with little or no modification.

Contract – The Contract consists of the State of NJ Standard Terms and Conditions (SSTC), the RFQ, the responsive Quote submitted by a responsible Bidder as accepted by the State, the notice of award, any Best and Final Offer, any subsequent written document memorializing the agreement, any modifications to any of these documents approved by the State and any attachments, Bid Amendment or other supporting documents, or post-award documents including Change Orders agreed to by the State and the Contractor, in writing.

Contract Amendment – An amendment, alteration, or modification of the terms of a Contract between the

State and the Contractor(s). A Contract Amendment is not effective until it is signed and approved in writing by the person with the appropriate signing authority.

Contractor – The Bidder awarded a Contract resulting from this RFQ.

Contractor Intellectual Property – Any intellectual property that is owned by Contractor and contained in or necessary for the use of the Deliverables or which the Contractor makes available for the State to use as part of the work under the Contract. Contractor Intellectual Property includes COTS or Customized Software owned by Contractor, Contractor's technical documentation, and derivative works and compilations of any Contractor Intellectual Property.

Customized Software - COTS that is adapted or configured by Provider to meet specific requirements of the Authorized Purchaser that differ from the standard requirements of the base product. For the avoidance of doubt, "Customized Software" is not permitted to be sold to the State under the scope of this Contract.

Days After Receipt of Order (ARO) – The number of Calendar Days 'After Receipt of Order' in which the Using Agency will receive the ordered materials and/or services.

Deliverable – Goods, products, Services and Work Product that Contractor is required to deliver to the State under the Contract.

Director – Director, Division of Purchase and Property, Department of the Treasury, who by statutory authority is the Chief Contracting Officer for the State of New Jersey; or the Director's designee.

Disabled Veterans' Business - means a business which has its principal place of business in the State, is independently owned and operated and at least 51% of which is owned and controlled by persons who are disabled veterans or a business which has its principal place of business in this State and has been officially verified by the United States Department of Veterans Affairs as a service disabled veteran-owned business for the purposes of department contracts pursuant to federal law. N.J.S.A. 52:32-31.2.

Discount – The standard price reduction applied by the Bidder to all items.

Evaluation Committee – A group of individuals or a Using Agency staff member assigned to review and evaluate Quotes submitted in response to this RFQ and recommend a Contract award.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs.

Hardware – Includes computer equipment and any Software provided with the Hardware that is necessary for the Hardware to operate.

Internet of Things (IoT) - the network of physical devices, vehicles, home appliances and other items embedded with electronics, software, sensors, actuators, and network connectivity which enables these objects to connect and exchange data.

May – Denotes that which is permissible or recommended, not mandatory.

Mobile Device - means any device used by Provider that can move or transmit data, including but not limited to laptops, hard drives, and flash drives.

Must – Denotes that which is a mandatory requirement.

No Bid – The Bidder is not submitting a price Quote for an item on a price line.

No Charge – The Bidder will supply an item on a price line free of charge.

Non-Public Data - means data, other than Personal Data, that is not subject to distribution to the public as public information. Non-Public Data is data that is identified by the State as non-public information or otherwise deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information.

Personal Data means –

"Personal Information" as defined in N.J.S.A. 56:8-161, means an individual's first name or first initial and last

name linked with any one or more of the following data elements: (1) Social Security number, (2) driver's license number or State identification card number or (3) account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account. Dissociated data that, if linked would constitute Personal Information is Personal Information if the means to link the dissociated were accessed in connection with access to the dissociated data. Personal Information shall not include publicly available information that is lawfully made available to the general public from federal, state or local government records, or widely distributed media; and/or

Data, either alone or in combination with other data, that includes information relating to an individual that identifies the person or entity by name, identifying number, mark or description that can be readily associated with a particular individual and which is not a public record, including but not limited to, Personally Identifiable Information (PII); government-issued identification numbers (e.g., Social Security, driver's license, passport); Protected Health Information (PHI) as that term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and defined below; and Education Records, as that term is defined in the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g.

Personally Identifiable Information or PII - as defined by the U.S. Department of Commerce, National Institute of Standards and Technology, means any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

Project – The undertakings or services that are the subject of this RFQ.

Protected Health Information or PHI - has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 means Individually

Identifiable Health Information (as defined below) transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act (FERPA), as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as employer. The term "Individually Identifiable Health Information" has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and means information that is a subset of Protected Health Information, including demographic information collected from an individual, and (1) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (2) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (a) that identifies the individual; or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Quick Reference Guides (QRGs) – Informational documents which provide Vendors with step-by-step instructions to navigate the [NJSTART](#) eProcurement System. QRGs are available on the [NJSTART Vendor Support Page](#).

Quote – Bidder's timely response to the RFQ including, but not limited to, technical Quote, price Quote including Best and Final Offer, any licenses, forms, certifications, clarifications, negotiated documents, and/or other documentation required by the RFQ.

Quote Opening Date - The date Quotes will be opened for evaluation and closed to further Quote submissions.

Request For Quotes (RFQ) – This series of documents, which establish the bidding and contract requirements and solicits Quotes to meet the needs of the Using Agencies as identified herein, and includes the RFQ, State of NJ Standard Terms and Conditions (SSTC), price schedule, attachments, and Bid Amendments.

Security Incident - means the potential access by non-authorized person(s) to Personal Data or Non-Public

Data that the Provider believes could reasonably result in the use, disclosure, or access or theft of State's unencrypted Personal Data or Non-Public Data within the possession or control of the Provider. A Security Incident may or may not turn into a Breach of Security.

Services – Includes, without limitation (i) Information Technology (IT) professional services, (ii) Software and Hardware-related services, including without limitation, installation, configuration, and training, and (iii) Software and Hardware maintenance and support and/or Software and Hardware technical support services.

Shall – Denotes that which is a mandatory requirement.

Should – Denotes that which is permissible or recommended, not mandatory.

Small Business – Pursuant to N.J.S.A. 52:32-19, N.J.A.C. 17:13-1.2, and N.J.A.C. 17:13-2.1, "small business" means a business that meets the requirements and definitions of "small business" and has applied for and been approved by the New Jersey Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit as (i) independently owned and operated, (ii) incorporated or registered in and has its principal place of business in the State of New Jersey; (iii) has 100 or fewer full-time employees; and has gross revenues falling in one (1) of the six (6) following categories:

For goods and services - (A) 0 to \$500,000 (Category I); (B) \$500,001 to \$5,000,000 (Category II); and (C) \$5,000,001 to \$12,000,000, or the applicable federal revenue standards established at 13 CFR 121.201, whichever is higher (Category III).

For construction services: (A) 0 to \$3,000,000 (Category IV); (B) gross revenues that do not exceed 50 percent of the applicable annual revenue standards established at 13 CFR 121.201 (Category V); and (C) gross revenues that do not exceed the applicable annual revenue standards established at CFR 121.201, (Category VI).

Small Business Set-Aside Contract – means (1) a Contract for goods, equipment, construction or services which is designated as a Contract with respect to which bids are invited and accepted only from small businesses, or (2) a portion of a Contract when that portion has been so designated." N.J.S.A. 52:32-19.

Software - means, without limitation, computer programs, source codes, routines, or subroutines supplied by Provider, including operating software, programming aids, application programs, application

programming interfaces and software products, and includes COTS, unless the context indicates otherwise.

Software as a Service or SaaS - means the capability provided to a purchaser to use the Provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface. The purchaser does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, storage or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

State – The State of New Jersey.

State Confidential Information - shall consist of State Data and State Intellectual Property supplied by the State, any information or data gathered by the Contractor in fulfillment of the Contract and any analysis thereof (whether in fulfillment of the Contract or not);

State Contract Manager or SCM – The individual, responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work. The SCM cannot direct or approve a Contract Amendment.

State Data - means all data and metadata created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Provider's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Provider. State Data includes Personal Data and Non-Public Data.

State Intellectual Property – Any intellectual property that is owned by the State. State Intellectual Property includes any derivative works and compilations of any State Intellectual Property.

State Price Sheet or State-Supplied Price Sheet – the bidding document created by the State and attached to this RFQ on which the Bidder submits its Quote pricing as is referenced and described in the RFQ.

Subtasks – Detailed activities that comprise the actual performance of a task.

Subcontractor – An entity having an arrangement with a Contractor, whereby the Contractor uses the products and/or services of that entity to fulfill some of its obligations under its State Contract, while retaining full responsibility for the performance of all Contractor's obligations under the Contract, including payment to the Subcontractor. The Subcontractor has no legal relationship with the State, only with the Contractor.

Task – A discrete unit of work to be performed.

Third Party Intellectual Property – Any intellectual property owned by parties other than the State or Contractor and contained in or necessary for the use of the Deliverables. Third Party Intellectual Property includes COTS owned by Third Parties, and derivative works and compilations of any Third Party Intellectual Property.

Unit Cost or Unit Price – All-inclusive, firm fixed price charged by the Bidder for a single unit identified on a price line.

US CERT – United States Computer Emergency Readiness Team.

Using Agency – A State department or agency, a quasi-State governmental entity, or an Intrastate Cooperative Purchasing participant, authorized to purchase products and/or services under a Contract procured by the Division.

Vendor – Either the Bidder or the Contractor.

Work Product – Every invention, modification, discovery, design, development, customization, configuration, improvement, process, Software program, work of authorship, documentation, formula, datum, technique, know how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by Contractor or Contractor's Subcontractors or a third party engaged by Contractor or its Subcontractor pursuant to the Contract. Notwithstanding anything to the contrary in the preceding sentence, Work Product does not include State Intellectual Property, Contractor Intellectual Property or Third Party Intellectual Property.

9.2 CONTRACT SPECIFIC DEFINITIONS

Active- Refers to active members (not retired) from SHBP.

Benefit Effective Date – Date on which the Member is eligible for services provided by the Contractor.

Balanced Budget Act (BBA) of 1997 – An omnibus legislative package enacted by the United States Congress, using the budget reconciliation process, and designed to balance the federal budget by 2002. In order to reduce Medicare spending, the Act reduced payments to health service providers such as hospitals, doctors, and nurse practitioners. Some of those changes to payments were reversed by subsequent legislation in 1999 and 2000.

Bariatric Surgery - Examples include but are not limited to procedures such as gastric bypass surgery, gastric banding, duodenal switch and sleeve gastrectomy.

Bundled Procedure Price (include anesthesia- pull from resolution)

Business Day- Any day other than a Saturday, Sunday, or legal holiday.

(Surgical) Center of Excellence (COE) - SHBP PDC Pilot Program in order to contain rising healthcare costs of certain costly, non-emergent procedures, with the least possible disruption to members and without posing undue implementation challenges within the current State Health Benefits Plan (SHBP) structure.

Calendar Days- Opposite of Business Days as defined.

Chapter 78 – P. L. 2011, c. 78 created the State Health Benefits Plan Design Committee and the School Employees' Health Benefits Plan Design Committee (the Plan Design Committees).

Claim (Invoices) – An itemized statement of services and costs from a health care Provider or facility submitted for payment.

Claim Fiduciary – A named fiduciary having the authority and responsibility to adjudicate Claims in accordance with the provisions of the plan. In the event of a Member appeal for review of a denied Claim, the Claim Fiduciary makes the final determination as to whether the Claim is covered. Fiduciary responsibility will be retained by the State.

Commissions – Refers to the “State Health Benefits Commission”

Contract Effective Date – The commencement date of the Contract. Contract year with which services provided by the Contractor become effective.

Concierge Level Member Support – Services designed to provide individual case level services, which ensure that the correct and/or appropriate doctor, treatment and care are provided at the ideal time which can greatly improve health outcomes.

Dependent(s) –Dependents include an Employee’s spouse, partner in a civil union couple, and the Employees’ children under the age of 26 years. For State Employees, Dependents also include an Employee's domestic partner as defined in section 3 of P.L. 2003, c. 246 (N.J.S.A. 26:8A-3).

Division of Pensions and Benefits (DPB) – The using agency that has issued this RFQ.

Early Retiree- SHBP members who retire before/under the age of 65 years old (medicare eligibility age) in most cases.

Health Insurance Portability and Accountability Act of 1996, 42 U.S.C.A. 1301 et seq. (HIPAA) – The law developed by the Federal Department of Health and Human Services that provides uniform Federal privacy protection standards for consumers by protecting patients' medical records and other health information provided to health plans, doctors, hospitals and other health care Providers. The law also provides consumers with access to their medical records and more control over how their personal health information is used and disclosed.

Heart Surgery -examples include but are not limited to procedures such as coronary Artery bypass and heart valve surgery).

Hip Replacement Surgery -examples include but are not limited to procedures such as total hip arthroplasty, partial hip arthroplasty and hip resurfacing

Initial Consultative and Concierge Level Member Support – Services designed to provide individual case level services, which ensure that the correct and/or appropriate doctor, treatment and care are provided at the ideal time which can greatly improve health outcomes and satisfies PDC’s resolution passed regarding COE consultative services.

Knee/Joint Replacement Procedures- examples include but are not limited to procedures such as total knee arthroplasty, partial knee arthroplasty and patellofemoral arthroplasty

Local Government Employers (Local Government) – Public employer for SHBP purposes including, but not limited to, counties, municipalities, and authorities (including certain State authorities with independent purchasing authority that permits them to elect coverage other than that provided by the SHBP).

Member – An individual who meets the conditions for eligibility in the SHBP.

National Committee for Quality Assurance (NCQA) - organization dedicated to measurement, transparency and accountability to enhance health care quality.

Network Provider –A hospital, clinic, supplier of tangible medical goods, health care professional, or group of health care professionals who provide services to patients that have directly, or through a third party, entered into a written agreement with the Contractor to provide one or more health care services to persons who have enrolled in one of the offered Plans.

Non-Emergent Cardiac Procedures- Heart surgery (examples include but are not limited to procedures such as coronary artery bypass and heart valve surgery).

NJ Office of Attorney General- has broad oversight of the state's legal and law enforcement matters.

Open Enrollment – A period of time each year when individuals can sign up for dental insurance. If dental insurance is not elected during the annual Open Enrollment period, the next opportunity for enrollment would be the next Open Enrollment period or a qualifying event.

Personal Health Information (PHI) - in addition to federal HIPAA protections, refers to any individually identifiable health information that is created, received, used, maintained or transmitted by a covered entity or business associate.

Plan (s) – Specific plan under the SHBP such as the PPO plan(s).

Plan Design Committees (PDC) – The State Health Benefits Plan Design Committee and the School Employees' Health Benefits Plan Design Committee created by Public Law 2011, Chapter 78, which are responsible for reviewing the SHBP plan designs, respectively, and developing any changes therein.

PPACA- Patient Protection and Affordable Care Act of 2010. It includes compliance requirements for supplementary documents such as a Summary of Benefits and Coverage or exchange notification. PPACA requires all providers that bill Medicare and Medicaid to have a Compliance Program.

Preferred Provider Organization (PPO) – Managed healthcare benefit arrangement designed to supply services at a discounted cost by providing incentives for Members to use designated healthcare Providers (who contract with the PPO at a discount), but which also provides coverage for services rendered by healthcare Providers who are not part of the PPO network.

Provider – A hospital, clinic, supplier of tangible medical goods, health care professional, or group of health care professionals who provide services to patients.

Spine Surgery -examples include but are not limited to procedures such as discectomy, laminectomy and spinal fusions.

State or Local Government (SEL) – Employers that participate in the SHBP are categorized. State employers include State agencies and State colleges and universities. Local Government Employers include counties, municipalities, and authorities (including certain State authorities with independent purchasing authority that permits them to elect coverage other than that provided by the SHBP). State employers are required to participate in the SHBP. Local Government Employers can elect to participate in the SHBP.

State Health Benefits Plan Design Committee (SHBP PDC) - formed a subgroup more than two years ago to research and evaluate the benefits and feasibility of reference-based pricing (RBP) program concepts, with the goal of developing an RBP pilot program for the SHBP.

State Health Benefits Program (SHBP) – The health benefits program established pursuant to N.J.S.A. 52:14-17.25 et seq.

Transparency– Making available to the public, in a reliable, and understandable manner, information on the health care system's quality, efficiency and consumer experience with care, which includes price and quality data, so as to influence the behavior of patients, Providers, payers, and others to achieve better outcomes (quality and cost of care).