



## **STATE OF ALABAMA**

### **Alabama Department of Insurance Office of the Alabama Health Insurance Exchange (HIX)**

### **Request for Proposal for the Alabama Health Insurance Exchange System**

Deliverable  
RFP#: 2012-HIX-101  
Issued date: May 9, 2012  
Amendment one date: May 25, 2012  
Amendment two date: June 7, 2012  
**AMENDMENT 2**  
Version 3.3

The above referenced Request for proposal, dated May 9, 2012, is amended as outlined below.

This amendment must be signed and returned with the RFP response, which must be received no later than 5:00 P.M. Central Daylight Time on Monday, June 11, 2012 or the proposal will not be considered.

**Lines 21-22 on the Title Page are being amended to read as follows:**

As amended, June 7, 2012  
Version 3.3.

**Line 27-247 in the Table of Contents are being amended to read as follows to reflect page numbering changes:**

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Lines 248-255 in the List of Tables are Figure are being amended to read as follows to reflect page numbering changes:

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**Line 266 (Table 1: Project Timetable) in the Preface and Project Timetable Section is being amended to reflect times as Central Daylight Time rather than Central Standard Time:**

Activity	Completion	Central Time
Request for Proposal is Issued	May 9, 2012	By 5:00 PM CDT
Deadline for Submitting Questions to be Answered at the Pre-Proposal Conference	May 16, 2012	By 5:00 PM CDT
Deadline for Submitting Intent to Attend Pre-Proposal Conference Notification	May 16, 2012	By 5:00 PM CDT

Mandatory Pre-Proposal Conference	May 25, 2012	10:00 AM CDT
Deadline for Submitting Questions after Pre-Proposal Conference	May 31, 2012	By 5:00 PM CDT
Answers to Questions to be posted on web site	June 7, 2012	By 5:00 PM CDT
Proposal Submission Date	June 11, 2012	By 5:00 PM CDT
Opening of Proposal Responses	June 12, 2012	9:00 AM CDT
Selection of Apparent Winning Vendor (Estimated)	July 11, 2012	5:00 PM CDT
Centers for Medicare & Medicaid Services (CMS) Approval of Contract (Estimated)	July 20, 2012	5:00 PM CDT
**Legislative Oversight Committee Review and Governor's Approval of Contract (Estimated)	August 2, 2012	5:00 PM CDT
<b>Proposal Award Milestone</b>	August 10, 2012	5:00 PM CDT
<b>Project Phase 1:</b> Finalization of project plans and preliminary detailed design for the entire project	--	--
Contractor Begins Work (Estimated)	August 13, 2012	8:00 AM CDT
<b>Project Plan Upgrade Milestone</b>	Vendor to Propose	
<b>Preliminary Design Review Milestone</b>	Vendor to Propose	
CMS: Provide preliminary detailed design documentation to CMS for review and approval	September 28, 2012	5:00 PM CDT
<b>Project Phase 2: Build phase for Phase 2 System components, with iterative detailed design development for each new component in the proposed solution as given in Section 3.3.</b>	--	--
CMS: Conditional Certification to Operate Exchange	February 28, 2013	TBD
<b>Detailed Design and Operational Review Milestone</b>	Vendor to Propose	
Receive submissions via Portal from issuers seeking to sell products on the HIX System	July 1, 2013	8:00 AM CDT
<b>Implementation Readiness Milestone for Phase 3</b>	Vendor to Propose	
<b>Project Phase 3:</b> Pilot operation of all the components developed in Phase 2	--	--
CMS: Full Certification to Operate Exchange	September 30, 2013	TBD
Allow open enrollment for individuals and small businesses	October 1, 2013	12:00 AM CDT
<b>Implementation Readiness Milestone for Phase 4</b>	Vendor to Propose	
<b>Project Phase 4:</b> Completion and stabilization of the entire HIX System	January 1, 2014	12:00 AM CDT
CMS: Fully operational HIX System	January 1, 2014	12:00 AM CDT
<b>Project Phase 5:</b> Operation of the completed System (Warranty Period)	January 1, 2015	12:00 AM CDT
<b>Operational Readiness Review (ORR) Milestone</b>	Vendor to Propose	
<b>Project Phase 6:</b> Operation of the completed System (Post-warranty Period includes annual renewal options)	January 1, 2019	12:00 AM CDT

**Line 323 in Section 1.2 is being amended to read as follows:**

of the "American Health Benefit Exchange," including the "Small Business Health Options Pro-

**Lines 387-394 in Section 1.2.2 are being amended to read as follows:**

- Transfer of consumer eligibility, enrollment, and disenrollment information between Medicaid and other insurance coverage options, including CHIP, public/private health plans, and other HHS programs, is facilitated. For informational purposes, sample data elements to be passed to Medicaid pertaining to prospective enrollees based on the MAGI eligibility determination are posted on the DOI website. These data elements are listed in the spreadsheet titled, *Sample Data Elements for Medicaid Enrollees Qualifying through MAGI*. There is no specific requirement to respond to these data elements.

**Line 990 in Section 3.2.3 is being amended to read as follows:**

- Attribute-based access control and authentication through Global Federated Identity

**Lines 1080-1081 in Section 3.2.4 are being amended to read as follows:**

6) XML data traversing the AL HIX ESB must be implemented using national and state standards for security to ensure confidentiality and integrity.

**Lines 1819-1823 in Section 5.1 are being amended to read as follows:**

In the event of a proposal submitted jointly by more than one organization, one organization must be designated as the prime Vendor and must have responsibility for project management and not less than 60 percent of the work to be performed (as measured by the price of labor to be provided). All other participants must be designated as subcontractors.

**Lines 2881-2890 in Section 6.1.2 are being amended to read as follows:**

This RFP and the Vendor's response thereto shall be incorporated into a contract by the execution of a formal agreement. No alteration or variation of the terms of this contract shall be valid unless made in writing and duly signed by the parties thereto. Oral understandings of this agreement are not incorporated therein and no alterations or variations of the terms thereof shall be binding on any of the parties unless made in writing between the parties. The contract shall be amended by written agreement duly executed by the parties; every such amendment shall specify the date of its provisions and shall be effective as agreed to by the parties. The contracts and amendments, if any, are subject to approval by the CMS, approval by the Information Services Division of the Department of Finance, review by the Legislative Contract Review Oversight Committee, and approval by the Governor of the State of Alabama.

**Lines 2911-2914 in Section 6.1.6 are being amended to read as follows:**

All information received in response to this RFP, including copyrighted material, is deemed public information and become a public record subject to review and copying. The sole exceptions are trade secrets as defined in Ala. Code § 8-27-2(1), and other exceptions under Alabama state law, that have been properly identified, marked, separated, and documented.

**Lines 2921-2925 in Section 6.1.8 are being amended to read as follows:**

The State may award other contracts for additional work related to this contract and Vendor shall fully cooperate with such other contractors and State employees or designated agents. Vendor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by State employees or designated agents.

**Lines 2950-2957 in Section 6.1.10 are being amended to read as follows:**

In the event of a conflict within the enabling authority such that it affects the scope of work within the contract, the conflicts shall be resolved in the following priority:

- Applicable Federal statutes and regulations, including the ACA, subsequent regulations and guidance
- Alabama state law and applicable regulations
- Case law of the State of Alabama

**Lines 2959-2966 in Section 6.1.11 are being amended to read as follows:**

The contract shall be deemed to include all applicable provisions of the ACA and of all State and Federal laws and regulations, in each case to the extent applicable to the performance of Services, as they may be amended. In the event of any change in the ACA, laws, or regulations, which materially affect the operation of the Exchange, or the costs of administering such program, either party, after written notice and before performance of any related work, may apply in writing to the other for an equitable adjustment in compensation caused by such material change. In no event shall the contract be amended unless it is in writing and signed by duly authorized representatives of the Vendor and the Department.

**Lines 2968-2976 in Section 6.1.12 are being amended to read as follows:**

During the contract period, if the Vendor considers that any written or oral communication, including any order, direction, instruction, interpretation, or determination, received from the Project Manager or any other authorized Department representative, or any other act or omission of the Department (an "Event") constitutes a change to the scope of the Statement of Work of this RFP but is not plainly identified, labeled, or titled as such, the Vendor shall advise

the designated Department contact person in writing within 10 business days after the Vendor Project Manager was informed orally or in writing by the Project Manager or any other authorized Department representative of the Event and shall request written confirmation of the Event. The notice shall state:

**Lines 3037-3068 in Section 6.1.18 are being amended to read as follows:**

The Vendor must have responsibility for the project management and not subcontract more than 40 percent of the work to be performed (as measured by the price of labor to be provided). Subcontracts must have advance written approval of the Department for both the subcontracted function and the subcontractor. Subcontractors shall demonstrate the capability to perform the function to be subcontracted at a level equal or superior to that of the Vendor. All subcontracts shall be in writing, with the subcontractor functions and duties clearly identified, and shall require the subcontractor to comply with all applicable provisions of this RFP. The Vendor shall at all times remain responsible for the performance by any subcontractors approved by the Department. The Vendor's performance bond and Vendor's responsibility for damages shall apply whether performance or nonperformance was by the Vendor or one of its subcontractors. The Department shall not release the Vendor from any claims or defaults of this contract, which are predicated upon any action or inaction or default by any subcontractor of the Vendor, even if such subcontractor was approved by HIX as provided above. The Vendor shall give the Department notice in writing by certified or registered mail of any action or suit filed against it by any subcontractor. The Vendor shall give the Department immediate written notice of any claim made against the Vendor by any subcontractor or Vendor, which in the opinion of the Vendor, may result in litigation related in any way to this contract with the State of Alabama.

Payments to any subcontractor for the performance of this contract, including, without limitation, expenses or disbursements incurred by the subcontractor, is strictly between Vendor and subcontractor, and subcontractor shall have no claim as against the Department for any payments for work performed and expenses or disbursement incurred by Subcontractor relative to this contract. If requested by the Department, Vendor will provide the Department with appropriate documentation that all amounts due to subcontractor have been paid by Vendor.

The State encourages Vendors to consider the use of minority and small business firms as subcontractors.

**Lines 3105-3110 in Section 6.2.1 are being amended to read as follows:**

The filing of a petition for voluntary or involuntary bankruptcy or a company or corporate reorganization pursuant to the Bankruptcy Act shall, at the option of the Department, constitute grounds for termination effective the date of such filing for voluntary filing and as of the date that is sixty (60) days after such filing, if not previously dismissed, for involuntary filing. The Vendor shall inform the Department in writing of any such action(s) immediately upon occurrence.

**Lines 3139-3147 in Section 6.2.4 are being amended to read as follows:**

The Department may terminate performance of work under the Contract in whole or in part whenever, for any reason, the Department, in its sole discretion determines that such termination is in the best interest of the State. In the event that the Department elects to terminate the contract pursuant to this provision, it shall so notify the Vendor by certified or registered mail, return receipt requested. The termination shall be effective as of the date specified in the notice. In such event, the Vendor will be entitled only to payment for all work satisfactorily completed and for reasonable, documented costs incurred in good faith for work in progress. The Vendor will not be entitled to payment for unperformed work, or for anticipated profit, unabsorbed overhead, or any other costs.

**Lines 3237-3265 in Sections 6.4.5.1, 6.4.5.2 and 6.4.5.3 are being amended to read as follows:**

**6.4.5.1 Commercial General Liability – Occurrence Form.** Policy shall include bodily injury, property damage, personal injury and contractual liability coverage. Each Occurrence: \$1,000,000; General Aggregate: \$2,000,000; Products - Completed Operations Aggregate: \$2,000,000; Personal and Advertising Injury: \$1,000,000; Contractual Liability - Written and Oral: \$1,000,000; and Fire Legal Liability: \$50,000. The policy shall include the following additional insureds: "The State of Alabama, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Vendor." Policy shall contain a waiver of subrogation against the State of Alabama, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Vendor except in instances of liability caused by the State of Alabama, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees.

**6.4.5.2 Automobile Liability.** Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this contract. Combined Single Limit (CSL): \$1,000,000. The policy shall be endorsed to include the following additional insureds: "The State of Alabama, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be included as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Vendor, involving automobiles owned, leased, hired or borrowed by the Vendor."

**6.4.5.3 Umbrella/Excess Liability.** Umbrella/Excess liability in the minimum amount of \$10,000,000 (\$1,000,000 for Subcontractors) excess of Commercial General Liability, Automobile Liability and Employers' Liability. The policy shall include the following additional insureds: "The State of Alabama, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Vendor." Policy shall contain a waiver of subrogation against the State of Alabama, its departments, agencies,

boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Vendor.

**Lines 3324-3366 are being amended and renumbered as appropriate to read as follows:**

**6.4.5.7 Additional Insurance Requirements.** The Vendor's insurance coverage shall be primary insurance with respect to all other available sources. Coverage provided by the Vendor shall not be limited to the liability assumed under the indemnification provisions of this contract.

**6.4.5.8 Notice of Cancellation.** Each insurance policy shall not be suspended, voided, canceled, or reduced in coverage or in limits below the amounts set forth herein except after thirty (30) days prior written notice has been given to the State of Alabama by Vendor. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.

**6.4.5.9 Acceptability of Insurers.** Insurance is to be placed with admitted or approved non-admitted insurers in the state of Alabama with an "A.M. Best" rating of not less than A- VII. The State of Alabama in no way warrants that the above-required minimum insurer rating is sufficient to protect the Vendor from potential insurer insolvency.

**6.4.5.10 Verification of Coverage.** Vendor shall furnish the State of Alabama with certificates of insurance (ACORD form or equivalent) as required by this contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf or by an authorized representative of the insurer. All certificates are to be received and approved by the Department before work commences. Each insurance policy required by this contract must be in effect at or prior to commencement of work under this contract and remain in effect for the duration of the project subject to annual renewals. Failure to maintain the insurance policies as required by this contract, or to provide evidence of renewal, is a material breach of contract. All certificates required by this contract shall be sent directly to the Department. The State of Alabama project/contract number and project description shall be noted on the certificate of insurance. Certificates of Insurance shall not be sent to the State of Alabama's Risk Management Section.

**6.4.5.11 Subcontractors.** Vendors' certificate(s) shall include all subcontractors as insureds under its policies or Vendor shall furnish to the State of Alabama separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above, except for the provisions pertaining to umbrella coverage and fidelity bond or crime insurance.

**6.4.5.12 Exceptions.** If the Vendor or sub-contractor(s) is/are a State of Alabama agency, board, commission, or university, none of the above shall apply.

**Lines 3369-3374 in Section 6.4.6 are being amended to read as follows:**

To ensure compliance with the Alabama Code of Ethics, Ala. Code §36-25-1, et seq. the Vendor shall not knowingly engage and assign to the services hereunder on a full-time, part-time, or other basis during the period of these contracts, any professional or technical personnel who is or has been in the employ of the State of Alabama during the previous 24 months, without first acquiring an Ethics Opinion from the Alabama Ethics Commission. The web site for the Ethics Commission is: <http://ethics.alabama.gov/default2.aspx>

**Lines 3376-3402 in Section 6.4.7 are being amended to read as follows:**

The Vendor warrants and represents that all persons including independent Vendors and Vendors assigned by it to the performance of this contract shall be agents of the Vendor and shall be fully qualified to perform the work required herein. The Vendor must include a similar provision in any contract with any subcontractor selected to perform work there under.

The Department shall have the absolute right to approve or disapprove Vendor's staff assigned to this contract, to approve or disapprove any proposed individuals for replacement of staff, and to require the removal or reassignment of any Vendor employee or subcontractor employee found unacceptable by the Department. The Vendor may terminate any of its personnel assigned to the project for a violation of law or company policy or any other reason without the Department's prior approval. Upon written request, Vendor must provide the Department with a resume of any member of its staff or its subcontractor's staff assigned to or proposed to be assigned to any aspect of the performance of this contract.

Personnel commitments made in Vendor's proposal shall not be changed except as hereinabove provided, or due to a resignation of any named individual. Vendor staffing will include the named individuals at the levels of effort proposed in the Vendor's proposal. Replacement of any personnel will be with personnel of equal ability and qualifications as determined by the Department. No diversion of staffing will be made by the Vendor without prior written consent of the Department.

The Vendor must provide staff to perform all tasks specified as the Vendor's responsibilities in this RFP. The staff level must be maintained at the level stated in the proposal or as authorized in writing by the Department for the duration of the contract.

Failure of the Vendor to provide staffing at the contracted and Department approved level may result in liquidated damages.

The Vendor will commit all personnel specified in its proposal to this contract unless the Department exercises its option to have such staff removed. The Department will be provided reasonable access to appropriate Vendor project management personnel for discussion of problems or concerns regarding Vendor staff.

**Lines 3453-3482 in Section 6.5.5 are being amended to read as follows:**

The Vendor shall take all reasonable precautions to ensure the safety and security of all information, data, procedures, methods, and funds involved in the performance under these contracts, and shall require the same from all employees so involved. In compliance with 42 CFR §431.300 et seq., the Vendor shall conform to the requirements of Federal and State regulations regarding confidentiality of information about eligible beneficiaries. The Vendor shall not release any data or other information relating to the HIX System to any third party without prior written consent of HIX. This provision covers both general summary data as well as detailed, specific data. The Vendor shall not be entitled to use of HIX data in its other business dealings without prior written consent of HIX. All requests for program data shall be referred to the HIX Executive Director for response.

The Vendor must treat all information, including that relating to beneficiaries and providers, which is obtained by the Vendor through his/her performance under the contract as confidential information, and shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and securement of its rights herein, or as otherwise provided for herein. The Department, the Attorney General, Federal officials as authorized by Federal law or regulations, or the authorized representatives of these parties shall have access to all confidential information in accordance with the requirements of State and Federal laws and regulations. Any other party will be granted access to confidential information only after complying with requirements of State and Federal laws and regulations pertaining to such access. The Department shall have absolute authority to determine if any other party has properly obtained the right to have access to this confidential information.

The foregoing restrictions on disclosure and release shall not apply to the extent such information (A) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure in breach hereof; (B) becomes available to Vendor on a nonconfidential basis from a source other than the Department; or (C) is known by Vendor prior to its receipt from the Department party without any obligation of confidentiality with respect thereto. In carrying out its obligations under this Section, Vendor shall use at least the same degree of care as it employs in maintaining in confidence its own trade secrets and proprietary or confidential information, but in no event less than a reasonable degree of care.

**Lines 3484-3502 in Section 6.5.6 are being amended to read as follows:**

Each officer or employee of any person to whom Social Security information is or may be disclosed shall be notified in writing by such person that Social Security information disclosed to such officer or employee can be only used for authorized purposes and to that extent and any other unauthorized use herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000.00) or imprisonment for as long as five years, or both, together with the cost of prosecution. Such person shall also notify each such officer or employee that any such unauthorized further disclosure of Social Security information may also

result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars (\$1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n).

Additionally, it is incumbent upon the Vendor to inform its officers and employees of penalties for improper disclosure implied by the Privacy Act of 1974, 5 USC 552a. Specifically, 5 USC 552a (1) (1), which is made applicable to the Vendors by 5 USC 552a (m) (1), provides that any officer or employee of the Vendor who, by virtue of his/her employment or official position, has possession of or access to Department records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses that material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not

**Lines 3515-3519 in Section 6.5.10 are being amended to read as follows:**

The Vendor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder such that Vendor would be unable to perform its obligations or such performance would be illegal. The Vendor further covenants that in the performance of these contracts no person having any such known interests shall be employed by the Vendor.

**Lines 3521-3524 in Section 6.5.11 are being amended to read as follows:**

The Vendor certifies that neither it nor, to the best of its knowledge, its principals (officers, directors, owners, or subcontractors) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal programs or programs supported in whole or in part by federal funds.

**Lines 3526-3546 in Section 6.5.12 are being amended to read as follows:**

In order to assure full performance of all obligations imposed on a Vendor contracting with the State of Alabama, the Vendor will be required to provide a performance bond in the amount of fifteen (15) percent of the total contract value as a guarantee for the delivery and acceptance of the services in accordance with the specifications and requirements of this RFP and contract. The performance bond must be submitted by the Vendor at least ten (10) calendar days prior to the start of the contract date. The form of security guarantee shall be one of the following:

- Cashier's check (personal or company checks are not acceptable);
- Other type of bank certified check;
- Money order;
- Surety bond issued by a company authorized to do business in the State of Alabama.

The bond shall be in force from that date through the term of operations contract and ninety (90) calendar days beyond and shall be condition on faithful performance of all contractual obligations. Breach by the Vendor in any respect of any material provision of the contract, which breach has not been cured by Vendor after receipt of notice thereof pursuant to Section 6.2.2 shall cause the performance bond to become due and payable to the State of Alabama. The Commissioner of Insurance shall be custodian of the performance bond which shall be made payable to the Commissioner of Insurance. Said bond shall be extended in the event the Department exercises its option to extend the operational contract.

**Lines 3603-3608 in Section 6.6.1 are being amended to read as follows:**

In the event that the State shall prevail in any legal action arising out of the performance or non-performance of this Contract, the Vendor shall pay, in addition to any damages awarded, all expenses of such action including reasonable attorney's fees and costs. This requirement applies regardless of whether the Department is represented by staff counsel or outside counsel. Fees and costs of defense shall be deemed to include administrative proceedings of all kinds, as well as all actions at law or equity.

**Lines 3631-3638 in Section 6.7.1 are being amended to read as follows:**

The Vendor will maintain all financial and accounting records, and other evidence pertaining to amounts invoiced to the Department under this contract for inspection by any authorized representative of the state or the federal government and make them available upon reasonable advance written request at reasonable times during the period of the contract and for three years after the date of the final payment by the Department to the Vendor under this contract. If any litigation, claim, or audit is commenced before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involved the records have been resolved.

**Lines 3640-3651 in Section 6.7.2 are being amended to read as follows:**

The Vendor agrees that representatives of the Comptroller General, HHS, the General Accounting Office, the State of Alabama Department of Examiners of Public Accounts, The Department, and their authorized representatives shall have the right during business hours to inspect and copy such records pertaining to contract performance and costs thereof. The Vendor shall cooperate fully with requests from any of the agencies listed above and shall

furnish free of charge copies of all requested records. The Vendor may require that a receipt be given for any original record removed from the Vendor's premises.

The Vendor agrees to make available at its central business office at all reasonable times during the period set forth below any of such records of the contracted work for inspection or audit by any authorized representative of the Department or their duly authorized representative.

A file and report retention schedule shall be developed by the Vendor and approved by the Department. The Vendor shall maintain the schedule and the Department will approve all changes.

**Lines 3653-3661 in Section 6.7.3 are being amended to read as follows:**

The awarded Vendor shall establish and utilize documentation update procedures, including status report meetings with HIX, to ensure that the HIX System documentation remains current at all times. The Vendor shall maintain the master copy of all HIX System documentation and shall furnish the Department with one complete copy by start of operations, and one copy of each update. The Vendor shall provide the Project Manager with a complete copy of all system documentation (e.g., all detailed system designs, data element dictionary, systems manuals, user manuals, provider manuals, etc.) prior to going live. The Vendor shall incorporate any agreed-upon requirement change into all necessary documentation promptly upon implementation.

**Lines 3663-3692 in Section 6.8 are being amended to read as follows:**

The Department shall provide payment to the Vendor in accordance with the Vendor's proposal sheet and the Pricing Schedules in Forms F through M in Appendix K of this RFP.

Payment shall be made monthly for the Department-approved Vendor staff hours worked and tasks/deliverables/requirements received and approved (as specified in Price Schedule II).

The Vendor shall submit one invoice to the Project Manager and one invoice to Tisha Johnson, Department Accountant, on a monthly basis for approved services and deliverables rendered to the Department in the previous month. Each monthly invoice shall have a cover letter/memo addressed to the Project Manager printed on the Vendor's company letterhead. Attached to the Vendor's letter/memo shall be the Vendor's invoice. The invoice shall contain summary level descriptions of each invoiced line item. All Vendor staff signed timesheets for the billing period must be attached to the invoice. The Vendor's staff resource and the Vendor's Project Lead must sign each Vendor staff's timesheet. Items appearing on the monthly Vendor's invoice must be line items identified as part of this contract, invoiced according to the Vendor's fixed quoted price for deliverables and a computed summary level cost for the Vendor's staff hours worked based upon the Vendor's quoted Rate Per Hour for each staff member multiplied by the actual hours worked. ***The total accumulated hours for each Vendor staff resource must not exceed the total hours quoted for each staff resource by the Vendor in their proposal response.*** One full copy of the invoice documentation (cover letter, invoice, and timesheets) shall also be provided to the Project Manager.

During the life of the Contract for this RFP, payment of 90 percent of the amount proposal per task/deliverable/requirement will be paid to the Vendor following HIX's approval of tasks/deliverables/requirements for services rendered with the exceptions noted below. The Department will retain an amount equal to 10 percent of each task/deliverable/requirement cost (withholding) which will be paid to the Vendor upon acceptance of the system. The Awarded Vendor's monthly invoices must show the 10 percent withholding amount for task/deliverables/requirements deducted from the total amount of the invoice. The 10 percent withholding is payable upon HIX's acceptance of the final software implementation Deliverable ("the system"). ***The total amount billed under this RFP by the Vendor, including the 10 percent withholding, shall and cannot exceed the total fixed price agreed to under this contract.***

**Lines 3762-3764 in Section 6.10.4 are being amended to read as follows:**

The Vendor warrants that any deliverable supplied to the Department shall conform to all requirements of the contract, and shall be fit for all purposes and uses required by the contract.

**Lines 3766-3770 in Section 6.10.5 are being amended to read as follows:**

Unless stated otherwise in this contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at destination. The Vendor shall bear all risk of loss of conforming materials and/or deliverables covered under this contract until received by authorized personnel at the Department. Mere receipt does not constitute acceptance. The risk of loss for materials shall remain with the Vendor regardless of receipt.

**Lines 3772-3777 in Section 6.10.6 are being amended to read as follows:**

On delivery of nonconforming materials and/or deliverables, the Department may terminate the contract for default under the applicable termination clauses in the contract, exercise any of its rights and remedies or pursue any other right or remedy available to it.

**Lines 3780-3787 in Section 6.10.7 are being amended to read as follows:**

The Vendor warrants that all services provided under this contract will conform to industry standards and in a professional and workmanlike manner and conform to the requirements of this contract. The Department's acceptance of deliverables provided by the Vendor shall not relieve the Vendor from its obligations under this warranty. In addition to its other remedies, the Project Manager may, at the Vendor's expense, require prompt correction of any services failing to meet Vendor's warranty herein upon written notice. Services corrected by Vendor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

**Lines 3789-3790 in Section 6.10.8 are being amended to read as follows:**

Except as otherwise set forth in this contract, there are no express or implied warranties of merchantability or fitness for a particular purpose.

**Lines 3793-3800 in Section 6.11.1 are being amended to read as follows:**

The Vendor's Project Manager shall serve as liaison and shall be available and responsible, as the need arises, for consultation and assistance with the Department personnel; he/she shall attend, upon request, Department meetings, meetings and hearings of legislative committees and interested governmental bodies, agencies, and officers; and he/she shall provide timely and informed responses to operational and administrative problems whenever arising in administration of the HIX System. Whenever the Vendor Project Manager is not available, the Vendor shall provide a designated alternate that is fully capable of meeting the requirements of this section.

**Lines 3802-3808 in Section 6.11.2 are being amended to read as follows:**

The Department's Project Manager shall be responsible for coordination of implementation activities with the Vendor. Said Project Manager, his/her designee(s), and Department HIX implementation personnel shall have reasonable access to the Vendor's project personnel, facilities, and records for evaluating the quality, appropriateness, and timeliness of deliverables. The Project Manager shall have authority on a reasonable basis to call meetings with the Vendor's Project Manager or designee and project personnel, as required, and to assign appropriate technical personnel of HIX to work with designated staff of the Vendor.

**Lines 3813-3816 in Section 6.11.4 are being amended to read as follows:**

The Department or its authorized representative shall have the right to enter into the premises of the Vendor and all subcontractors, or such other places where duties under the contract are being performed, to inspect, monitor or otherwise review the work being performed. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

**In Appendix A, the term "Exchange" is being amended to read as follows:**

Alabama implementation of the "American Health Benefit Exchange," including the "Small Business Health Options Program" or "SHOP Exchange," described in Section 1311 of the ACA, to be planned for, created, and implemented by Alabama based, in part, on the Services to be performed under this Contract. The word "Exchange" (capitalized) will be used to emphasize the functionality of the Alabama Health Insurance Exchange, as opposed to its administration, which will be referenced by the HIX acronym. Generally "Exchange" and "HIX System" can be used interchangeably.

Signature acknowledges receipt of this amendment and its incorporation into the Request for Proposal.

Company: \_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_