REQUEST FOR PROPOSAL
Exhibit E

MEDI-CAL WORKERS' COMPENSATION RECOVERY PROGRAM

1.0 TERMS AND CONDITIONS

The Request for Proposal (RFP), any Administrative Bulletins and/or Addenda, Contractor's Technical and Cost Proposal and the Standard Agreement Form (see Exhibit A-1) determine the work required of the Contractor. The terms and conditions under which the work shall be performed are detailed in this Chapter. In the event there are any inconsistencies or ambiguities between the Technical or Cost Proposal and the RFP, or if the Technical Proposal does not address RFP requirements, the RFP shall govern over the Contractor's Technical Proposal, except in those instances where the Contractor's Technical Proposal has offered more stringent requirements than those required in the RFP and the State has indicated, in writing, its approval of the more stringent requirements. In these cases, the Technical Proposal (TP) shall prevail, only in case of the more stringent and State-approved requirements.

A contract between the State and the Contractor shall be accompanied by the completion of a Standard Agreement form.

As used in this RFP, "Contractor" is defined as the individual, public entity or organization that has been awarded a contract(s) or subcontract(s) for the Medi-Cal Workers' Compensation Recovery Program (WCRP).

1.1 INTERPRETATION OF CONTRACT

This contract consists of:

A. The entire RFP, including any Exhibits, Attachments, or Sections to the extent that these contain specifications which are incorporated into the contract, or are otherwise cross-referenced, or which, by implication, impose duties, obligations, and responsibilities upon the Contractor which are intended to continue during the term of the contract;

A-1. Any RFP Administrative Bulletins or Addenda issued:

B-1. The Contractor's Technical Proposal in response to the RFP;

B-2. The Contractor's Cost Proposal in response to the RFP;

C. The Standard Agreement Form (STD. 213) (see Exhibit A-1);

D. All replacement pages and/or documents added during the evaluation process, if any; and

E. Any contract Amendment or Change Order made to this contract over the life of the contract.

1.2 DELEGATION OF AUTHORITY

The State intends to implement this contract through a single administrator, hereafter called the "Contracting Officer." The Director shall appoint the Contracting Officer. The Contracting Officer, on behalf of the Director, shall make all determinations and take all actions as are appropriate under this contract, subject to the limitations of applicable federal and State laws and regulations. The Contracting Officer may delegate his/her authority to act as an authorized representative through prior written notice to the Contractor. The name of the Contracting Officer and/or his/her authorized representative shall be issued to the Contractor upon the State's approval, prior to the effective date of the contract.

The Contractor shall designate a single administrator, hereafter, called the Contractor's Representative, who shall be located in the Contractor's facility in California. The Contractor's Representative, on behalf of the Contractor, shall make all determinations and take all actions as are appropriate to implement the contract, subject to the limitations of the contract, federal and State laws and regulations. The Contractor's Representative may delegate his/her authority to act as an authorized representative through prior written notice to the Contracting Officer. The Contractor's Representative or his/her designee shall be empowered to legally bind the Contractor to all agreements reached with the State.

The Contractor's Representative must be designated, in writing, by the Contractor prior to the effective date of the contract and approved by the State. Such designation shall be submitted to the Contracting Officer in accordance with Exhibit E, Section 1.4, Authority of State.

1.3 GOVERNING AUTHORITIES

This contract shall be governed and construed in accordance with:

A. Welfare and Institutions Code [W&I Code], Section 14304(a), Sections 14124.70 through 14124.88;

B. Title 22, Division 3, California Code of Regulations [CCR];

C. California Labor Code, Section 3700;

D. All other applicable laws and regulations.

Any Provision of this contract that is in conflict with the above laws, regulations, and federal Medicaid statutes is hereby amended to conform to the Provisions of those laws and regulations. Amendments to the contract shall be effective on the effective date of the statutes or regulations, and shall be binding on the parties even though such amendments may not have been reduced to writing and formally agreed upon and executed by the parties.

1.4 AUTHORITY OF THE STATE

Sole authority to establish or interpret policy and its applications to the above areas resides with the State.

The Contractor may not make any limitations, exclusions, or changes in scope of work, any changes in definition or interpretation of terms; or any changes in the administration of the contract related to the scope of work, without the express, prior written direction or approval of the Contracting Officer.

1.5 FULFILLMENT OF OBLIGATIONS

No covenant, condition, duty, obligation, or undertaking continued or made a part of this contract shall be waived except by written agreement of the parties hereto, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed, or discharged by the party to which the same may apply; and, until performance or satisfaction of all covenants, conditions, duties, obligations, and undertakings is complete, the other party shall have the right to invoke any remedy available under this RFP, contract, or under law, notwithstanding such forbearance or indulgence.

1.6 INSPECTION RIGHTS

The Contractor shall allow the State DHHS, the Federal Department of Health and Human Services, the Controller General of the United States, the State Auditor, and other authorized federal and state agencies, or their duly authorized representatives, to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under the contracts, and to inspect, evaluate, and audit any and all books, records, and facilities maintained by the Contractor and any subcontractors, pertaining to such services, at any time during normal business hours

without prior notice. Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this RFP, including working papers, reports, financial records and books of account files, subcontracts, sub-subcontracts, and any other documentation pertaining to medical, dental and non-medical services to Medi-Cal beneficiaries. Upon request, at any time during the period of this contract, the Contractor shall furnish any such record, or copy thereof, to the State or the Department of Health and Human Services within 30 days.

1.7 CONTRACT COMMUNICATION

All Notices under this RFP/contract shall be in writing and shall be deemed to have been given to the State and/or the Contractor when mailed to the following address:

Department of Health Services Attn: Contracting Officer WCRP 591 North 7th Street, 2nd Floor P.O. Box 2471 Sacramento, CA 95812-2471	Contract Name and Address Attn: Contractor's Representative

The Contracting Officer will accurately document receipt of such notices to the State. The information will be date stamped by the State mailroom upon receipt. The Contracting Officer will log all date stamped material and file in chronological order.

1.8 CONTRACT TERMS

1.8.1 CONTRACT EFFECTIVE DATE

The effective date of the contract shall be July 01, 2003, Daylight Savings Time.

1.8.2 TERM (LENGTH OF CONTRACT)

The term of the contract shall extend from the contract effective date for four years, subject to the State's and Contractor's right to terminate under the Termination provisions of the RFP, Exhibit E, Section 1.10.

1.8.3 CONTRACT EXTENSION

The State shall retain the exclusive right to exercise the option to extend the term of the contract during the last twelve months of the contract, as determined by the original end date or by a new end date if an extension

has been exercised. The State may invoke up to two separate extensions of one year each. The Contractor shall be given at least 90 days prior written notice should the State choose to exercise this option and extend the contract. Term extensions are subject to funding availability, acceptable Contractor performance, and the Contractor's willingness to maintain existing recovery rates.

1.9 TURNOVER REQUIREMENTS

The objective of the Turnover period is to ensure that the orderly transfer of necessary data is made from the previous Contractor to the State and then to the successor Contractor. This orderly transfer of required data ensures the continuity of the filing of liens and the recovery of Medi-Cal expenditures in WC actions.

The Contractor shall be flexible to changing requirements. If the State exercises its extension options, all Turnover activities shall be delayed a commensurate period of time.

Upon expiration of the contract, the Contractor shall:

A. Transfer control of all unprocessed case referrals provided by the State (unprocessed is defined as potential cases not yet filed with WC insurance carrier or WCAB) to the State for transfer to the successor contractor;

B. Discontinue all other recovery actions, with the exception of residual cases (cases filed with WC or WCAB prior to contract termination date). This physical transfer will be in an orderly, timely, and efficient manner, and in full compliance with the security and confidentiality provisions of the contract. The State shall retain the authority to designate the manner and method by which the data, equipment, and cases shall be transferred. Should the State determine that other data is required for Turnover, the State shall notify the Contractor in writing within the time constraints enumerated below. Costs of reproduction shall be borne by the State. Any delay in turning over to the State the data and/or equipment requested shall result in an assessment of a liquidated damage of $500 per day against the Contractor beyond the 30 days in which any portion of the data and/or equipment is not received.

The Contractor shall develop a report describing, at the lowest level of detail understandable to the layperson, the data to be transferred to the State. This report shall be submitted to the Contracting Officer within five workdays of expiration or termination of the contract.

All data and information provided by the Contractor shall be accompanied by letter, signed by the responsible authority, certifying to the accuracy and completeness of the materials supplied.

1.10 TERMINATION

1.10.1 TERMINATION BY DIRECTOR

The Director of the Department of Health Services may terminate this contract in whole, or in part, for good cause shown at any time, by giving written notice to the Contractor. Notification shall be given at least 30 days prior to the effective date of termination. Notification shall state the effective date of, and the reason for, the termination. In addition to other grounds for termination, failure to comply with applicable laws, regulations, and any of the terms of this contract shall constitute cause for termination.

1.10.2 TERMINATION OF OBLIGATIONS

All obligations to perform services under this contract shall automatically terminate on the effective date of any termination of this contract.

In the event of termination pursuant to this Section, the State reserves the right to reassign WC cases from the terminated Contractor to another Contractor. (See Exhibit E, Section 1.10.3).

1.10.3 TERMINATION OF CONTRACT AND TRANSFER OF CASES

Upon termination of this contract, the State shall notify beneficiaries and/or their representative of the transfer of their cases to another existing Contractor.

A. Prior to termination of the contract and upon request by the State, the Contractor shall assist the State in the orderly transfer of WC cases pursuant to Turnover Requirements in Exhibit E, Section 1.9. In doing so, the contractor shall make available to the State copies of case files, claim detail reports, and any other pertinent information, including information maintained by any subcontractors or sub-subcontractors (if applicable), necessary for efficient case management and recovery, as determined by the State. Costs of reproduction shall be borne by the State.

B. In the event that a Contractor in the northern or southern geographic region or regions is to be terminated, the State may reprocure or enter into negotiations with the next responsible and available proposer offering the next lowest cost recovery rate for performance of the remaining contract period.

1.11 LIQUIDATED DAMAGES

1.11.1 GENERAL DAMAGES

It is agreed by the State and the Contractor that:

A. If the Contractor does not provide or perform the requirements referred to or listed in this provision, damage to the State will result;

B. Proving such damages will be costly, difficult, and time-consuming;

C. Should the State choose to impose liquidated damages, the Contractor will pay the State those damages for not providing or performing the specified requirements;

D. Additional damages may occur in specified areas by prolonged periods in which Contractor does not provide or perform requirements;

E. The damage figures listed below represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of the contract.

F. The State and the Contractor recognize that it is the policy of the California Legislature to encourage the use of liquidated damages provision in State contracts, as shown by Civil Code section 1671(b), Public Contract Code section 10226, and 13 California Law Revision Commission Reports 1740 and 1741;

G. The State may, at its discretion, offset liquidated damages from payments owed the Contractor;

H. The maximum amount of liquidated damages payable by the Contractor over any twelve month period is five hundred thousand dollars ($500,000);

I. In the event the Contractor's failures result from a single failure, which is subject to liquidated damages, the State will be entitled to assess the highest single liquidated damage penalty only. There will be no concurrent assessments of liquidated damages for cascading failures that result from a single failure.

Nothing in this provision shall be construed as relieving the Contractor from performing any other contract duty not listed herein, nor is the State's

right to enforce or to seek other remedies for failure to perform any other contract duty hereby diminished.

The contract, as defined in Exhibit E, Section 1.1, Interpretation of Contract, will be used by the State to monitor Contractor progress and will provide the basis for determining liquidated damages.

1.11.2 WCRP RECOVERY PROGRAM OPERATIONS, TERMS, AND CONDITIONS

During the life of the contract, the Contractor shall provide or perform each of the following Work requirements, Terms and Conditions requirements, and Payment requirements as stated in the contract.

Except as provided in Exhibit E, Sections 1.11.1 and 1.11.2, for each and every Contractor requirement not provided or performed as scheduled, or if a requirements is provided or performed inaccurately or incompletely, the State, if it intends to impose liquidated damages, shall notify the Contractor in writing that the requirement was not provided or performed as specified and that liquidated damages will be assessed accordingly. The Contractor shall have 15 days from the date of such written notice from the State, or longer if the State allows upon written request, to provide or perform the requirement as specified.

Liquidated Damages

If the Contractor does not provide or perform the requirement within 15 days of the written notice, or longer if allowed by the State, the State may impose liquidated damages of $500 per requirement per day for each day the requirement continues not to be provided or performed. If after 15 additional days from the date of the State imposed liquidated damages, the requirements still have not been provided or performed, the State, after written notice to the Contractor, may increase the liquidated damages assessment to $1,000 per State work day per requirement until the requirement is provided or performed.

1.12 ASSIGNMENTS

The Contractor shall not assign the contract, in whole or in part, or any payment arising therefrom, without the prior written approval of the State. It is the policy of the State of California to withhold consent from proposed assignments, subcontracts, or notations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the contract. The State must approve all subcontracts prior to initiation.

1.13 INSURANCE AND BONDING

This RFP Section sets the requirements for insurance and fidelity bonding under the contract.

As used in this Section, a third party carrier means an insurance and/or bonding company licensed to provide the required lines of insurance in the State of California and in the amounts required by this contract.

No policy of insurance or bond provided or maintained under this Section shall provide for an exclusion for the acts of the Contractor's officers.

1.13.1 INSURANCE

A. Evidence of the insurance coverage required by paragraph C below must be submitted to the State within five days after execution of the contract and signed by the Contracting Officer and the Contractor's Representative.

B. If the required insurance is not to be provided by a third party carrier, the State must approve, in writing, any proposed alternative coverage prior to its use under this contract. Any request to use coverage other than standard insurance from a third party carrier must be submitted to the State in writing within ten days after the Notice of Intent to Award the contract. The request shall clearly and fully set out the arrangement proposed and how such arrangements will fully comply with the contract requirements. If the request is denied by the State, required insurance from a third party carrier must be obtained and evidence of coverage submitted to the State as prescribed above within five days of the denial.

C. The Contractor shall provide and maintain and shall require its subcontractors to provide and maintain the following insurance during the performance of this contract:

1. Workers' Compensation insurance in accordance with the statutory requirements of California where work will be performed.

2. Comprehensive general and automobile liability insurance with minimum aggregate limits of $1 million per occurrence for bodily injury and property damage. Such coverage must apply to all locations where any work pertaining to this contract is performed.

3. The State of California must be named as an additional party on the policy of insurance, with the exception of the Workers' Compensation insurance.

D. The State will not be responsible for any premiums or assessments on the policy or policies. The State may, as its sole discretion, pay one or more premiums, if it decides that to do so would be in the best interest of the State. Should the State exercise this option to pay any premiums, it shall be fully reimbursed by the Contractor by an offset against future payments owed to the Contractor.

E. The Certificate of Insurance must include the following provisions stating that:

1. The insurer will not cancel the insured's coverage without 30 days' prior written notice to the State;

2. The State of California, its officers, agents, and employees are included as additional insureds, but only insofar as the operations under this contract are concerned;

3. The State will be notified of any failure by the Contractor to pay premiums, or any other change in the status of the scope of the required coverage within five days of such failure.

1.13.2 BONDING

A. The fidelity bond or other security required by paragraph C below shall be in place by the contract effective date. Evidence of the bonding coverage shall also be submitted to the State before the contract effective date.

B. If required bonding is not provided to the Contractor by a third party carrier, the State must approve, in writing, any other equivalent arrangements made by the Contractor prior to their use under this contract. The initial request to secure required bonding from other than an authorized third party carrier should be submitted to the State in writing by the contract effective date. The request shall clearly and fully set out the arrangements proposes and how such arrangements will fully comply with contract requirements. If this request is denied by the State, required bonding from a third party carrier shall be obtained within 15 days from the denial.

C. A fidelity bond or other security shall be maintained by the Contractor and subcontractors for at least an amount equal to the

minimum fidelity bond required per loss covering every employee except those classifications of employees as the State may allow to be exempted. The fidelity bond or other security must be maintained by the Contractor and subcontractors for the life of this contract and in a form satisfactory to the State, and must include the following conditions:

1. The State of California shall be named as joint obligee/beneficiary of the Contractor's bond. The Contractor's bond shall provide that the insurer or bonding company shall pay losses suffered by the State directly to the State.

2. The State will receive 30 days prior written notice of any intent to cancel or to make any other material change in the status, coverage, or scope of the required bond or of the Contractor's failure to pay premiums.

3. The State will not be responsible for any premiums or assessments on the bond, unless, at its sole option, it decides to pay one or more premiums, should the State exercise this option, it shall be fully reimbursed by the Contractor by an offset against future payments owed to the Contractor.

1.14 CONTRACTOR'S CERTIFICATION

With respect to any report, invoice, record, papers, documents, books of account, or other contract required data submitted to the State in support of an invoice or documents submitted to meet contract requirements, including, but not limited to, proofs of insurance and bonding, Lobbying Certifications and Disclosures, Conflict of Interest Disclosure Statements, and/or Conflict of Interest Avoidance Plans, pursuant to the requirements of this contract, the Contractor's Representative or his/her designee shall certify that the report, invoice, record, papers, documents, books of account, or other contract required data is current, accurate, complete and in compliance with legal and contractual requirements to the best of that individual's knowledge and belief, unless the requirement for such certification is expressly waived by the State in writing.

1.15 GUARANTEE PROVISIONS

If the Contractor is a subsidiary of a corporation or other legal entity, the full and prompt performance of all covenants, terms and conditions, and agreements from this RFP for the term of the contract shall be guaranteed by that entity in the Contractor's chain of ownership. This entity shall be

known as the Contractor's parent corporation for the purposes of this contract.

The guaranty shall, at minimum, meet the following requirements. It shall:

A. Be made to the State;

B. Be signed by an official authorized to bind the guarantor organization;

C. Accept unconditional responsibility for all performance and financial requirements and obligations of the contract including, but not limited to, maintenance of tangible net equity and payment of liquidated damages;

D. Recite that "for good and valuable consideration, receipt of which is hereby acknowledged", the guarantor is making the guaranty;

E. State that the guarantor stipulates that if the contract is ultimately awarded to the subsidiary, that the State does so in reliance upon the guaranty;

F. State the undersigned corporate officer warrants:

1. That he or she has personally reviewed all pertinent corporate documents, including but not limited to articles of incorporation, bylaws, and agreements between the parent and subsidiary; and

2. That nothing in these documents in any way limits the capacity of the parent to enter into the instant contract of guaranty;

G. Include the following provisions:

1. The State need not take any action against the Contractor, any other guarantor, or any other person, firm or corporation or resort to any security held by it at any time before proceeding against the Guarantor; and

2. The Guarantor hereby waives any and all notices and demands which may be required to be given by any other statute or rule of law and agrees that its liability here under shall be in no way affected, diminished, or released by any extension of time, forbearance, or waiver which may be granted to Contractor, its successor or assignee, and that

this guaranty shall extend to and include all future amendments, modifications, and extensions of the contract and all future supplemental and other agreements with respect to matters covered by the contract which the State and Contractor may enter into, with or without notice to or knowledge of Guarantor, but Guarantor shall have the benefit of any such extension, forbearance, waiver amendment, modification, or supplemental or other agreement; it being the purpose and intent of the parties hereto that the obligations of Guarantor hereunder shall be coextensive with, but not in the excess of, the obligations of Contractor, its successor or assignee, under the contract;

H. Be presented in terms which the State, in its discretion, determines shall, as a whole, adequately establish the Contractor's financial responsibility;

I. Include the following provision: Guarantor agrees that the guaranty shall continue in full force and effect despite any change in the legal or corporate status of the subsidiary including but not limited to its sale, reorganization, dissolution, or bankruptcy.

1.16 STATE'S RIGHT TO EQUITABLE ADJUSTMENT

Whenever the State is to obtain services, goods, equipment, facilities, or capabilities from the Contractor under this contract, the cost for which is included in the Cost Proposal, and the Contractor fails to perform or provide the services, goods, equipment, facilities, or capabilities or substitutes other services, goods, equipment, facilities, or capabilities, which are not fully equal to those required under this contract and which are not acceptable to the State, the State may require the Contractor to correct its performance within a period of 30 days.

1.17 DISPUTES AND APPEALS

Disputes and appeals shall be used by the Contractor as the means of resolving contractual disputes.

Filing a dispute shall not preclude the State from recouping the amount in dispute from the Contractor or from offsetting this amount from subsequent monthly payment(s). If the amount to be recouped exceeds 25 percent of the monthly payment, an amount up to 25 percent shall be withheld from each monthly payment until the amount in dispute is fully recouped. If a recoupment or offset is later found to be inappropriate, the State shall repay the Contractor the full amount of recoupment or offset, plus interest at the Pooled Money Investment Rate pursuant to

Government Code, Section 16480 et seq.

1.17.1 DISPUTES RESOLUTION BY NEGOTIATION

The State and Contractor agree to attempt to resolve all contractual disputes through negotiation and mutual agreement at the Contracting Officer level without litigation. The parties recognize that the implementation of this policy depends on open-mindedness, and the need for both parties to provide adequate supporting information.

Before issuance of a Contracting Officer's decision, informal discussions with the parties by individuals who have not participated substantially in the matter in dispute shall be considered by the parties in efforts to reach a mutual agreement.

1.17.2 NOTIFICATION OF DISPUTE

The Contractor shall notify the Contracting Officer in writing within 15 days of the date the dispute concerning performance of this contract arises or otherwise becomes known to the Contractor, describing the conduct (including actions, inactions, and written or oral communications) which it is disputing.

The Contractor's notification shall state, on the basis of the most accurate information then available to the Contractor, the following:

A. That it is a dispute pursuant to this Section.

B. The date, nature, and circumstances of the conduct that is the subject of the dispute.

C. The names, phone numbers, function, and activity of each Contractor, subcontractor, Department/State official or employee involved in or knowledgeable about said conduct.

D. The identification of any documents and the substance of any oral communications involved in such conduct. Copies of all identified documents shall be attached.

E. The reason why the Contractor is disputing the conduct.

F. The cost impact to the Contractor directly attributable to the alleged conduct, if any:

1. What contract line item(s) have been or may be affected by the alleged conduct;

2. What labor or materials or both have been or may be added/deleted by the alleged conduct;

3. To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged conduct;

4. What adjustments to contract price, delivery schedule, and other provisions are required or have been or may be affected by the alleged conduct.

G. If no cost impact is involved, the Contractor's desired remedy.

The required documentation, including cost impact data, shall be carefully prepared and submitted with substantiating documentation by the Contractor. This documentation shall serve as the basis for any subsequent appeal.

Following submission of the required documentation, with supporting documentation, the Contractor shall diligently continue performance of this contract, including matters identified in the Notification of Dispute, to the maximum extent possible.

1.17.3 CONTRACTING OFFICER'S DECISION

Any disputes concerning performance of this contract shall be decided by the Contracting Officer in a written decision stating the factual basis for this decision. The Contracting Officer shall serve a copy of the decision on the Contractor. The decision of the Contracting Officer shall be rendered within 30 days of a receipt of a Notification of Dispute or any additional substantiating documentation requested by the Contracting Officer, unless the Contracting Officer provides a written explanation to the Contractor why a longer period is necessary. The decision shall be final and conclusive unless within 30 days from the date of service of such decision the Contractor files with the Contracting Officer a written appeal addressed to the Branch Chief as specified in No. 15 of Exhibit D (F).

The Contracting Officer's decision will:

A. Find in favor of the Contractor, in which case the Contracting Officer may:

1. Countermand the earlier conduct which caused the Contractor to file a dispute; or

2. Reaffirm the conduct and, if there is a cost impact, issue a Change Order in accordance with Section 1.27 of this RFP; or

B. Deny the Contractor's dispute and, where necessary, direct the manner of future performance; or

C. Request additional substantiating documentation in the event the information in the Contractor's notification is inadequate to permit a decision to be made under paragraphs A or B above, and shall advise the Contractor as to what additional information is required, and establish how that information shall be furnished.

The Contractor shall have 30 days to respond to the Contracting Officer's request for further information. Upon receipt of this additional requested information, the Contracting Officer shall have 30 days to respond with a decision. Failure to supply additional information required by the Contracting Officer within the time period specified above shall constitute waiver by the Contractor of all claims in accordance with Exhibit E, Section 1.17.9, Waiver of Claims, below.

1.17.4 CONTRACTOR DUTY TO PERFORM

Pending final determination of any dispute hereunder, the Contractor shall proceed diligently with the performance of this contract and in accordance with the Contracting Officer's direction.

1.17.5 DISPUTE EXAMINER

In any appeal by the Contractor of a Contracting Officer's decision under Exhibit E, Section 1.17.3 where the amount in controversy is fifty thousand dollars ($50,000) or less, the Contracting Officer and the Contractor may agree on the appointment of a single Dispute Examiner to consider and to decide the dispute.

The Dispute Examiner shall render a written decision on the dispute within 30 days of its submission, which period may be extended for an additional 30 days by the Dispute Examiner in extraordinary circumstances. The Dispute Examiner may decide the matter on the basis of documentary evidence alone, without a hearing, and may require either party to produce additional evidence necessary to the decision.

The Dispute Examiner's decision is final and not subject to appeal to the Director by either party, except in cases of demonstrated bad faith, fraud, or if unsupported by a reasonable determination of the evidence

presented.

If the Contracting Officer and Contractor cannot agree on a Dispute Examiner, the matter shall be processed as an appeal under Exhibit E, Section 1.17.6, Contractor's Right to Appeal.

If no cost impact can be shown to be directly attributable to the conduct under the dispute or if there is no amount in controversy, the Contractor and the Contracting Officer shall mutually agree which type of appeal will be most appropriate to the circumstances, the appeal process described in Exhibit E, Section 1.17.5 or the appeal process described in Section 1.17.7. Failure to reach such an agreement shall be resolved by handling the appeal in accordance with Exhibit E, Section 1.17.6.

1.17.6 CONTRACTOR'S RIGHT TO APPEAL

In connection with any appeal from a Contracting Officer's decision made pursuant to Exhibit E, Section 1.17.3 involving fifty thousand dollars ($50,000) or more, the Contractor shall be afforded an opportunity to be heard and to offer evidence and oral argument in support of its appeal. At such a hearing, the State may also offer evidence and oral argument in support of its position.

The Director shall appoint a Hearing Examiner or Board composed of not more than three persons to take evidence, hear oral argument, and make recommendations to the Director as to the proper findings and conclusions to be reached in the appeal. The Hearing Examiner or Board shall take the matter under submission at the conclusion of the hearing. A proposed decision, in a form that may be adopted as the decision of the Director, shall be submitted to the Director and shall be served by the State on each party in the case.

The Director may:

A. Adopt the proposed decision;

B. Reject the proposed decision and have a decision prepared based on the documentation and electronically recorded or transcribed record, without taking additional evidence. The Director shall not decide a dispute provided for in this paragraph without affording the parties the opportunity to present either oral or written arguments;

C. Refer the matter to the Hearing Examiner or Board to take additional evidence. If the case is so assigned, a new proposed decision shall be prepared based upon the additional evidence and the record established in the previous hearing.

In the event of B or C above, a copy of the new proposed decision shall be submitted to the Director for adoption and shall simultaneously be served on each party in the case.

The Director shall render a decision within 60 days after receipt of a proposed decision. The decision shall be final upon adoption by the Director. The right to judicial appeal commences upon adoption of the decision by the Director.

Regarding the provisions of Exhibit E, Section 1.17, the Director may appoint a representative to exercise his/her authority.

There shall be no ex parte communication with the Hearing Examiner, Board, or Director concerning this appeal, prior to the Director's decision. Appeals involving challenges to either monthly payment or obligation changes, or Change Orders shall be given top priority among pending matters by the appointed Hearing Examiner or Board. The Hearing Examiner or Board shall expedite resolution of appeals involving monthly payment Change Orders insofar as possible within the appeal requirements and without impairing the parties' right to a full and fair hearing.

1.17.7 DISCOVERY

For Contractor appeals pursuant to Exhibit E, Section 1.17.6, discovery shall be conducted exclusively according to the procedure described in this section. Discovery procedures shall be the same as those provided for in Title 22, CCR, Sections 51032, 51033, 51034, and 51035, which are herein incorporated by reference, with the following exceptions to Section 50132: no "Statement of Disputed Issue", "Notice of Acceptance of the Statement of Disputed Issues" or "Issuance of a Report of Findings" shall apply. A party, upon written request made to another party, prior to the hearing and within 30 days after the filing of an appeal with the Director, is entitled to the provisions of Title 22, CCR, Section 51032, excluding the above-mentioned exceptions.

In the event that any provisions of these regulations shall be held invalid or unenforceable as applied to this contract, by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of these regulations.

1.17.8 COSTS OF DISPUTE SHARED

Costs of conducting the dispute and appeal process, including Dispute Examiner, Hearing Examiner, or Board, shall be shared 50 percent by the State and 50 percent by the Contractor. Each party shall bear its own

costs of preparation and presentation of its case.

1.17.9 WAIVER OF CLAIMS

If the Contractor fails to submit a Notification of Dispute, supporting and substantiating documentation, or any additionally required information in the manner and within the time frames specified in the Disputes/Appeals Sections, such failure shall constitute a waiver by the Contractor of all claims arising out of said conduct, whether direct or consequential in nature.

1.18 SUBCONTRACTS

The Contractor may elect to enter into subcontracts with other entities in order to fulfill the obligation of the contract.

1.18.1 OBTAINING STATE APPROVAL

All subcontracts shall be in writing and shall be entered into pursuant to applicable federal laws and regulations. The Contractor shall submit subcontracts to the State for advance review and approval. The State reserves the right to review and approve or disapprove subcontracts. A subcontract shall become effective upon written approval obtained from the State. If the State has acknowledged the receipt of a proposed subcontract and has failed to approve or disapprove it within 60 days of receipt, it shall become effective by operation of law.

In addition to the requirements stated in Exhibit D (F) of this RFP, each subcontract shall contain:

1. For a term of at least six years after the close of the State's fiscal year in which the subcontract was in effect;

2. Including all claims detail reports, Medi-Cal eligibility reports, Managed Care reports, statistical data, administrative data and program related information for a period of at least six years., Medi-Cal eligibility reports, Managed Care reports, statistical data, administrative data and program related information for a period of at least five years.

A. Full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor from the Contractor.

B. Specification of the services provided.

C. Specification that the subcontract shall be governed by and construed in accordance with all laws, regulations, and contractual obligations of the Contractor.

D. Specification that the subcontractor or subcontract Amendments shall become effective only as set forth in Exhibit E, Section 1.18.1.

E. Specification of the term of the subcontract including the beginning and ending dates as well as methods of extension, re-negotiation, and termination.

F. Subcontractor's agreement to submit reports as required by Contractor.

G. Subcontractor's agreement to maintain and make available to the State, upon request, copies of all sub-subcontracts and to ensure that all sub-subcontracts are in writing and require that the sub-subcontractor:

1. Make all applicable books, records, management information system(s) files and other program-related information available at all reasonable times for inspection, examination, or copying by the DHS, the DHHS, the Controller General of the United States, the State Auditor and any other authorized federal and State agencies or their representatives.

2. Retain such books, records, management information system(s) files and other program-related information for a term of at least five years from the close of the State's fiscal year in which the sub-subcontract is in effect.

H. Subcontractor's agreement to assist the Contractor in the transfer of books, records, management information system(s) files,2 and other related information pursuant to Exhibit E, Section 1.10.3, in the event of contract termination.

I. Subcontractor's agreement to notify the State in the event the agreement with the Contractor is amended or terminated. Notice is considered given when properly addressed and deposited in the United States Postal Service as first-class registered mail, postage attached.

J. Subcontractor's agreement that assignment or delegation of the subcontract shall be void unless prior written authorization is obtained from the State.

K. Subcontractor's agreement to hold harmless the State, in the event the Contractor cannot or will not pay for services performed by the subcontractor pursuant to the subcontract.

L. The names of the officers and owners of the subcontractor, stockholders owning more than ten percent of the stock issued by the subcontractor and major creditors holding more than five percent of the debt of the subcontractor shall be attached to the subcontract at the time the subcontract is presented to the State.

1.19 ACCESS REQUIREMENTS AND STATE'S RIGHT TO MONITOR

The State shall have the right to monitor all aspects of the Contractor's performance of the contract as well as the Contractor's compliance with applicable federal and State laws and regulations. Such monitoring activities shall include, but not be limited to, inspection and auditing of Contractor, subcontractor, and facilities, management systems and procedures, and books and records as the Director deems appropriate, at any time during the Contractor's or other facility's normal business hours. These monitoring activities will be either announced or unannounced.

To assure compliance with the contract, and for any other reasonable purpose, the State and its authorized representatives and designees shall have the right to premises access, with or without notice to the Contractor. This shall include any such place where duties under the contract are being performed.

Staff designated by the State shall have access to all security areas and the Contractor shall provide, and shall require any and all its subcontractors to provide, reasonable facilities, cooperation, and assistance to State representative(s) in the performance of their duties. Access shall be undertaken in such a manner as to not unduly delay the work of the Contractor and/or the subcontractor(s). The right of access herein shall include on-site visits by authorized designees of the State, and by Potential Proposers involved in the procurement process for a successor Contractor.

Any security device or system (e.g., badges, etc.) which the Contractor implements to identify and monitor persons seeking access to secured areas shall be supplied, by the Contractor, to the State and its authorized representatives and designees.

1.20 CONFIDENTIALITY OF DATA

For purposes of this contract, all information, records, data, and data elements collected and maintained for the operation of the contract and pertaining to beneficiaries will be protected by the Contractor from unauthorized disclosure in accordance with Title 42, CFR, Section 431.300 et seq., W&I Code Section 14100.2, and state regulations. The Contractor shall perform the duties and responsibilities with respect to confidentiality of information and data.

A. Each staff member/new staff member assigned to the Scope of Work of this contract must sign an oath of confidentiality. The Contractor's Representative is responsible for maintaining and updating the oaths of confidentiality.

B. The Contractor shall protect all identifiable information concerning a beneficiary and/or applicant from all other employees of the Contractor not assigned to the Scope of Work under the terms of this contract.

C. Each staff member authorized direct computer access to confidential information that have a functional need for the data shall be individually assigned log-on identification codes and passwords.

D. The Contractor shall present a security plan that provides for the protection of, and limits unauthorized access to, confidential records, information, data, and data elements.

E. The Contractor shall not disclose, except as otherwise specifically permitted by the contract, any identifiable information concerning a beneficiary or applicant to any party other than the State without the State's prior written authorization specifying that the information is releasable under Title 42, CFR, Section 431.300 et seq., W&I Code Section 14100.2, and state regulations. The Contractor shall promptly transmit to the State all requests for disclosure of any identifiable information concerning a beneficiary or applicant.

F. The Contractor shall not use such identifiable information for any purpose other than carrying out the express terms of this contract.

G. The Contractor shall be responsible for storing confidential information under lock.

H. The Contractor shall, at the expiration or termination of the contract, return all information to the State or maintain such identifiable

information according to written procedures sent to the Contractor by the State for this purpose.

I. The Contractor shall destroy such confidential information when it is no longer required. Destruction shall be by shredding for paper and microfilm documents, and by the appropriate processes to destroy data on magnetic media.

1.21 CONFLICT OF INTEREST, INCOMPATIBLE ACTIVITY OF CONTRACTOR AND EMPLOYEES

1.21.1 CONTRACTOR RESPONSIBILITIES – GENERAL

The Contractor shall submit, for State review and approval, if acceptable, a "Conflict of Interest Disclosure Statement" (Disclosure Statement) for each employee:

A. Two weeks after the effective date of the contract;

B. An update seven months after the contract effective date;

C. A yearly update thereafter; and

D. Any time a change occurs which affects the previously submitted and approved statement. If such change occurs, a new statement, together with a Conflict of Interest Avoidance Plan, shall be sent to the Contracting Officer for prior review and approval within 14 days of the change.

1.21.2 DISCLOSURE STATEMENT

The Disclosure Statement shall fully describe any direct or indirect interest the Contractor, any parent corporation, or any subcontractor has in any Provider of Medi-Cal services (as defined in Title 22, CCR, Section 51051) or in any billing agent(s) for Medi-Cal services, together with the name and position description of the Contractor, any parent, or subcontractor employee, director, consultant, or officer about whom the disclosure is being made.

At a minimum, the Contractor's Disclosure Statement shall disclose the name and address of any and all Providers or billing agent(s) for Medi-Cal services in which:

A. The Contractor, or any parent corporation, or any subcontractor, or any of the Contractor's or any parent corporation's or any subcontractor's employees, directors, consultants, or officers had a

direct or indirect interest of more than $1000;

B. The Contractor, or any parent corporation, or any subcontractor, or any of the Contractor's, or any parent corporation's or any subcontractor's employees, directors, consultants, or officers assigned to this contract is a director, officer, partner, trustee, employee, or holder of a management position, or is self-employed;

C. The Contractor, or any parent corporation, or any subcontractor, or any of the Contractor's, or any parent corporation's, or any subcontractor's employees, directors, consultants, or officer assigned to this contract, has derived more than $250 in direct or indirect income within twelve months immediately prior to the submittal of a proposal.

The Contractor shall disclose the name of any subcontractor, consultant, officer, director, or employee who was employed by the State of California in the Department, the Governor's Office, Health and Welfare Agency, State Controller's Office, Office of the Attorney General, and/or the Legislature from 1994 to the present, in accordance with W&I Code, Section 14104.6.

If a real or apparent conflict exists, the Contractor shall, together with the disclosure and at the time of that document's submittal, submit a Conflict of Interest Avoidance Plan and procedures to hold separate such relationships and/or to safeguard against conflict. If the Contractor has nothing to disclose under this RFP Section, it shall so certify in the Disclosure Statement.

The Contractor's Representative, or his/her designee, shall certify under penalty of perjury that such reports and updates to such reports are accurate, complete and current to the best of that individual's knowledge and belief, unless the requirement is expressly waived by the Contracting Officer in writing.

1.21.3 AVOIDANCE PLAN

When a real or apparent conflict of interest exists, the Contractor shall submit a Conflict of Interest Avoidance Plan, with the required Disclosure Statement, to safeguard against conflict of interests. This plan shall include procedures to:

A. Guard against conflict or interest;

B. Hold separate any disclosed relationships or any potential conflict of interest relationships that could arise during the life of the contract, including, but not limited to, such problematic matters as

financial interactions, reporting, sharing of office space, staff interactions, or Contractor fulfillment of contract responsibilities;

C. Ensure that the contractor shall discharge its responsibilities and duties with disinterest skill, zeal, and diligence, and that no Contractors, parent corporations, or subcontractor's employee, officer, director, or consultant will be in a position to exploit that position for private benefit or for other Contractor, or parent corporation or subcontractor interests which are or may be in conflict with Departmental or State interests.

The State intends to avoid any real or apparent conflicts of interest on the part of the Contractor. Hence, the State reserves the right to, in its sole discretion, determine whether any information received from any source indicates the existence of a real or apparent conflict of interest and to require the Contractor to submit a Conflict of Interest Avoidance Plan for solving the conflict problem subject to prior State review and approval. While it is desirable that the Contractor not have any contractual or financial relationships with Providers, such relationships may be permissible so long as prompt, full disclosure is made and adequate protective Conflict of Interest Avoidance Plans and procedures are developed, reviewed, and accepted by the State.

For purposes of this contract, indirect interest and indirect income shall be defined as any interest owned or income received by the spouse, parent(s), or dependents of the persons covered by the disclosure provisions of this RFP, Exhibit E Section 1.21.1.

1.21.4 CONFLICT OF INTEREST – CURRENT AND FORMER STATE EMPLOYEES

A. Current State Officers and Employees

1. Contractors shall not utilize in the performance of this contract any California state officer or employee in the state civil services or other appointed state official unless the employment, activity, or enterprise is required as a condition of the officer or employee's regular state employment. "Employee in the state civil service" is defined as any person legally holding a permanent or intermittent position in the California state civil service.

2. If any California state officer or employee is utilized or employed in the performance of this contract, Contractor shall first obtain written verification from the State that the employment, activity, or enterprise is required as a condition

of the officer's, employee's, or official's regular state employment and shall keep said verification on file for three years after the termination of this contract.

3. Contractor may not accept occasional work from any currently employed state officer, employee, or official.

4. If Contractor accepts volunteer work from any currently employed California state officer, employee, or official, Contractor may not reimburse, or otherwise pay, or compensate, such a person for expenses incurred, including, without limitation, travel expenses, per diem, or the like, in connection with volunteer work on behalf of Contractor.

5. Contractor shall not employ any state officers, employees, or officials who are on paid or unpaid leave of absence from their regular state employment.

6. Contractor, or anyone having a financial interest in this contract, may not become a state officer, employee, or official during the term of this contract. Contractor shall notify each of its employees, and any other person having a financial interest in this contract, that it is unlawful under Public Contract Code, Section 10410 for such person to become a state officer, employee, or official during the term of this contract, unless any relationship with the Contractor giving rise to a financial interest, as an employee or otherwise, is first terminated.

7. Occasional or one-time reimbursement of a state employee's travel expenses is not acceptable.

B. Former Officers and Employees of Contractor

1. Contractor shall not utilize in the performance of this contract any formerly employed person of any California state agency or department that was employed under the state civil service, or otherwise appointed to serve in the State Government, if that person was engaged in any negotiations, transactions, planning, arrangement, or any part of the decision-making process relevant to the contract while employed in any capacity by any California state agency or department. This prohibition shall apply for a two-year period beginning on the date the person left state employment.

2. Contractor shall not utilize within twelve months from the date of separation from California state employment, a former employee of the contracting state agency or department if that former employee was employed in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to the employee leaving California state service.

C. Failure to comply with Paragraphs A or B

1. If Contractor violates any provision of paragraphs A or B above, such action by Contractor shall render this contract void, unless the violation is determined by the State to be technical or nonsubstantive.

1.22 RECORD KEEPING

The Contractor shall maintain such books and records as are necessary to disclose how the Contractor discharged its obligations under this contract. These books and records shall disclose the quantity of cases established and recovered upon, the quality of those services provided to effect recovery (i.e., number of cases negotiated, litigated), the manner and amount of payment made for those recoveries, a listing of Medi-Cal beneficiaries receiving settlements, and the manner in which the Contractor administered its daily business, and the cost thereof.

1.23 BOOKS AND RECORDS

Such books and records shall include, but are not limited to, all physical records originated or prepared pursuant to the performance under this contract including working papers; reports submitted to the State; financial records; all claim detail and managed care reports; and other documentation pertaining to the medical and non-medical services rendered to Medi-Cal beneficiaries.

1.24 RECORDS RETENTION

These books and records shall be maintained by the Contractor for six years after the termination date of this contract; or, in the event the Contractor has been duly notified that DHS and DHHS of the Controller General of the United State, the State Auditor, or their duly authorized representatives, have commenced an audit or investigation of the contract, the books and records shall be maintained six years or until such time as the matter under audit or investigation has been resolved, whichever is later.

1.25 FUNDING

Any requirement of performance by the State and the Contractor for the period of the contract subsequent to June 30, 2004 shall be dependent upon the availability of future appropriations by the Legislature for the purposes of this contract. If funds become available for purposes of this contract from future appropriations by the Legislature, the maximum amount payable under this contract for the remaining fiscal years of this contract shall not exceed the original Cost Proposal fixed percentage rate.

1.26 WAIVERS

All conditions, covenants, duties, and obligations contained in the contract can be waived only by written agreement subject to written approval by the State. Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party.

1.27 CHANGE REQUIREMENTS

1.27.1 GENERAL PROVISIONS

During the life of this contract, the WCRP will be a dynamic program that may require numerous changes to its operations. The development of a system that has the capability to implement such changes in an orderly and timely manner is of considerable importance.

The State recognizes that the scope and complexity of changes will vary widely over the life of the contract. The State requires adequate assurance that a given change will be correctly implemented and Departmental approval of change documents and related monitoring efforts will reflect this policy.

1.27.2 CONTRACTOR'S OBLIGATION TO IMPLEMENT

The Contractor shall be required to make changes mandated by the State. In the case of mandated changes in policy, regulations, statutes, or judicial interpretation, the State may direct the Contractor to immediately begin implementation of any change by issuing a Change Order. If the State issues a Change Order, the Contractor shall be obligated to implement the required changes while discussions relevant to any Cost Proposal adjustment, if applicable, are taking place.

The State may, at any time, within the general scope of the contract, by written notice make changes to the WCRP requirements. The State will

utilize a formal process to notify the Contractor, in an ongoing and timely manner, of changes to be made to the WCRP.

1.27.3 CHANGE IN COUNTIES

The State shall have the option of deleting counties that have been previously included in one Contractor's Region or transferring counties from one contract to another. These events will be implemented via a Change Order and may result either in a no-cost impact on a Contractor's rates or in the need for re-negotiation of those rates.

1.28 CONTRACT AMENDMENTS

Should either party during the life of this contract desire a change in this contract, that change shall be proposed in writing to the other party.

The other party will acknowledge receipt of the Proposal for contract amendment within ten days of receipt of the Proposal. The party proposing any such change shall have the right to withdraw the Proposal any time prior to acceptance or rejection by the other party. Any Proposal shall set forth a detailed explanation of the reason and basis for the proposed change, a complete statement of cost and benefits of the proposed change, and the text of the desired amendment to this contract that would provide for the change.

If the Proposal is accepted, this contract shall be amended to provide for the change mutually agreed to by the parties on the condition that the amendment is approved by DHS ,DHHS, Department of Finance, and DGS, if necessary.

1.29 EQUAL OPPORTUNITY EMPLOYER

The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that it is an equal opportunity employer, and shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the State, advising the labor union or workers' representative of the Contractor's commitment to equal opportunity employment. The Contractor shall post copies of this notice in conspicuous places available to employees and applicants for employment.

1.30 NONDISCRIMINATION PROGRAM

As part of the Technical Proposal, a Proposer must submit a statement under penalty of perjury that he or she has compiled with the requirements

of Title 2, CCR, Section 8103 (relating to development and implementation of a nondiscrimination program).

1.30.1 MINORITY/WOMEN/DISABLED VETERAN BUSINESS ENTERPRISES (M/W/DVBE)

RFP Attachments 9, 9a, and 9b address requirements of California law relating to Minority/Women/Disabled Veteran Business Enterprises (DVBE). To the extent the law imposes continuing requirements on the Contractor following award of the contract, those requirements are incorporated herein by reference.

1.30.2 AMERICANS WITH DISABILITIES ACT OF 1990

The Contractor shall comply with all applicable federal requirements in Section 504 of the Rehabilitation Act of 1973 and Americans with Disabilities Act of 1990, Title 45, Code of Federal Regulations (CFR), Part 84 and Title 28, CFR, Part 36.

1.31 DRUG-FREE WORKPLACE ACT OF 1990

By signing this contract, the Contractor or grantee hereby certifies under penalty of perjury under the laws of the State of California that the Contractor or grantee shall comply with the requirements of the Drug-Free WorkPlace Act of 1990 (Government Code Section 8350 et seq.) and shall provide a drug-free WorkPlace by taking the following actions:

A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

B. Establish a Drug-Free Awareness Program to inform employees about:
   1. The dangers of drug abuse in the WorkPlace;
   2. The person's or organization's policy of maintaining a drug-free WorkPlace;
   3. Any available counseling, rehabilitation, and employee assistance programs; and
   4. Penalties that may be imposed upon employees for drug abuse violations.

C. Every employee who works on the proposed contract shall:

1. Receive a copy of the company's drug-free WorkPlace policy statement; and,
2. Agree to abide by the terms of the company's statement as a condition of employment on the contract.

1.32 INDEMNIFICATION

The Contractor shall reimburse the State for any Contractor-caused penalty assessments against the State and for any Contractor-caused interest payment assessments against the State pursuant to W&I Code, Section 14171.

Exhibit F

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and two (2) copies. The original must bear the original signature of a person authorized to bind the Contractor. The additional copies may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** _____ entered into between the State of California Department of Health Services (DHS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via **invoice number(s)** _____, in the **amount(s) of $** _____ and **dated** _____ .
If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment, will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a percentage (0% to 100%) of the materials, goods, supplies or products offered or used in the performance of the above referenced contract meets or exceeds the minimum percentage of recycled material, as defined in Public Contract Code Sections 12161 and 12200.

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHS or purchased with or reimbursed by contract funds)

Unless DHS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHS, at DHS's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

Contractor's Legal Name (As on contract): _____

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

DHS Distribution: Accounting (Original) Program CMU contract file

REQUEST FOR PROPOSAL
Exhibit G

MEDI-CAL WORKERS' COMPENSATION RECOVERY PROGRAM

ATTESTATION OF UNDERSTANDING/AGREEMENT FORM

This form shall be completed and submitted with the Proposer's Technical Proposal.

Each Section of the RFP, which is designated below, shall be addressed. The Proposer shall attest that it has read, does acknowledge, understand, and agree to meet all RFP requirements specified therein by signing/initialing each separate designated section.

The first attestation shall be signed by an individual legally empowered to bind the Proposer, giving their signature block, including title, and signature. This same individual thereafter shall initial each and every attestation.

Failure to comply with the above requirements and the requirements listed in Section N, shall result in the failure of this portion of the evaluation and rejection of the Proposer's Technical Proposal.

RFP CITE	PROPOSER SIGNATURE AND/OR INITIALS
Section K. Proposal Format and Content Requirement	_____
Section L. Proposal Submission	_____
Section M. Evaluation and Selection	_____
Section N. Narrative Proposal Rating Factors	_____
Section O. Bid Requirements and Information	_____
Section P. Bidding Certification Clauses	_____
Exhibit A	_____
Exhibit B	_____
Exhibit C	_____
Exhibit D (F)	_____
Exhibit E	_____
Exhibit G	_____

DATE: _____

REQUEST FOR PROPOSAL
Exhibit G

MEDI-CAL WORKERS' COMPENSATION RECOVERY PROGRAM

ATTESTATION OF UNDERSTANDING/AGREEMENT FORM RE-ATTESTATION FORM

Every time an RFP Addendum revises the RFP language, the Proposer shall complete and submit to the Office of Medi-Cal Procurement address, the following Re-attestation Form within five (5) working days of receipt of the Addendum.

By their initials affixed hereto, the individual who is legally empowered to bind the Proposer and who originally signed the Attestation of Understanding/Agreement Form, Exhibit G, Page 1, affirms and represents that previous attestations remain unchanged and in full force and effect, notwithstanding any revisions to the RFP made by this Addendum, Number _____.

Proposer's Initials: _____

Date: _____