

STATE PURCHASING BUREAU

STATE OF NEBRASKA SOLICITATION 6134 Z1

ORIGINAL PROPOSAL + SEPTEMBER 16, 2019

**DIANNA GILLILAND
CONNIE HEINRICHS
STATE PURCHASING BUREAU
1526 K STREET, SUITE 130
LINCOLN, NE 68508**

Dear Dianna and Connie:

Thank you for giving Lutz & Company, P.C. (Lutz) the opportunity to provide Nebraska Department of Administrative Services, State Purchasing Bureau with a proposal for State of Nebraska Solicitation 6134 Z1 to provide Financial and Operational Critical Access Hospital (CAH) Assessment Services. At Lutz, we invest in a long-term, value-driven relationship that helps your organization progress and prosper. Our professionals demonstrate "minding what matters" through expert accounting and business solutions. The relationships built with our clients aren't driven by dollar signs. Rather, these relationships allow us to partner with our clients to simplify the complex and focus energy on what is truly valuable.

We focus on exceeding your expectations and pride ourselves on our responsiveness in providing significant, cost-effective advantages for your organization. We achieve this by combining the personality, attentiveness and caring of a locally owned accounting firm with the breadth of services you expect from a national and international organization.

Ultimately, it's our people who set Lutz apart. Because we believe in relationships built on trust, we promise to provide open communication, superior service, unwavering integrity, and reliability to you and your organization. Thus, we continue to build on our core strengths by fostering a culture that rewards, attracts and retains people who contribute to your success.

After our review of the State of Nebraska Solicitation 6134 Z1, we feel we would be an excellent fit for your financial and operational needs assessment based on the following:

- **Teamwork** - The backbone of our business is teamwork. We understand and appreciate the importance of working together and have built our practice to ensure this happens on every engagement.
- **Communication** - We pride ourselves on making sure we are proactive with client communication. We strive to develop a complete understanding of the organization and the management team. We also believe that allocating proper time during planning and fieldwork for face-to-face communication, rather than emails and phone calls, sets us apart from our competition.
- **Industry Expertise** - We have built a large client service team that understands the healthcare industry. We are persistent in staying current with the latest accounting rules and will continue to update you with any changes or opportunities in the industry.
- **Fee Structure** - Our fee structure is unique for a firm of our size with the national resources, but local service. We have chosen to focus our practice on non-SEC work and as a result are able to stay competitive related to fees in the regional market.

We sincerely thank you for this opportunity to present our credentials and provide you with this proposal. For additional information about our firm, we invite you to visit our website at <https://www.lutz.us/industries/healthcare/critical-access-hospital-solutions/>.

Respectfully,

LUTZ



PAUL BAUMERT
HEALTHCARE CONSULTING SHAREHOLDER

PROJECT DESCRIPTION

A. PROJECT OVERVIEW

The purpose of this project is to provide in-depth reviews of the financial and operational status of Critical Access Hospitals (CAHs) and to provide recommendations for improvement.

B. PROJECT ENVIRONMENT

This project is funded by the Rural Hospital Flexibility Program (Flex). The Flex program was created and is governed by the Balanced Budget Act of 1997, Section 4201. All assessments must be conducted on-site at the participating Critical Access Hospitals, which are defined as rural hospitals with twenty-five (25) beds or less, and the associated communities.

SCOPE OF WORK

SERVICE REQUIREMENTS

Contractor will conduct a Financial Assessment and an Operational Assessment of CAHs as directed by DHHS. Contractor must prepare an in-depth report following each assessment. The contractor will review the report with the CAH leadership and submit copies of all reports to the DHHS Flex Program Manager.

- At a minimum the Financial Assessment must include a review of the following for each assessed CAH:
 - Days in Net Accounts Receivable
 - Days in Gross Accounts Receivable
 - Days Cash on Hand
 - Total Margin
 - Operating Margin
 - Debt Service Coverage
 - Salaries to Net Patient Revenue
 - Medicare Inpatient Payer Mix
 - Average Age of Plan (years)
 - Long-Term Debt to Capitalization
- At a minimum the Operational Assessment must include a review of the following for each assessed CAH:
 - Review of all staffing levels and determination of appropriateness
 - Review of all inpatient and outpatient services, including specialty clinics, and recommendations for improvements/service expansion opportunities/service reduction recommendations
 - Review of all ancillary departments and recommendations for improvements
 - Review of all financial components for the CAH and recommendations for improvements
- All assessments will include recommendations for improvements and opportunities for expanded and/or additional services options
- All reports will be completed during the grant year from September 1st through August 30th. All reports will be submitted to DHHS by due date of September 30th

INDEPENDENCE

Lutz is independent with respect to your organization and annually updates this status.

CLIENT SERVICE APPROACH

Our approach to communication with all of our clients is direct and straight forward with the senior members of our team. Due to the high level of involvement of our partners and managers, management should expect to have regular and ongoing communication with the Lutz Engagement Team. This communication will be both during fieldwork and throughout the year as to current events and other issues impacting our clients. We strongly believe our team should be available at all times for consultation on an as needed basis and encourage them to proactively work with clients to continue to address their needs.

1. CORPORATE OVERVIEW

A. CONTRACTOR IDENTIFICATION AND INFORMATION

Current Name: Lutz & Company, P.C.

Address: 13616 California Street, Suite 300, Omaha, NE 68154

Entity Organization: Privately Held Corporation

State of Business: Nebraska

The name history of Lutz includes:

- Lutz, Kinsey, Friedman & Meyers (1980 - Year of Organization)
- Lutz, Friedman & Meyers (1984)
- Lutz, Friedman & Associates (1990)
- Lutz & Co (1992)
- Lutz & Company, P.C. (Present)

B. FINANCIAL STATEMENTS

Since our founding in 1980, Lutz has steadily grown to become the largest locally owned firm of its kind in Nebraska because of integrity, work ethic and collaboration. With offices in Omaha, Lincoln, Hastings and Grand Island, our firm has placed a significant amount of time and money in assembling the best professional team available. Lutz employs 260-plus top-level professionals, with specialization and expertise in Accounting, Financial, Technology, M&A, and Talent for hire.

Lutz's client base is composed of businesses and individuals seeking a partner to help energize and heighten financial and organizational success. This includes family owned and operated businesses, multi-state/location businesses, scalable businesses with attractive growth mode, and those in any of our niche markets (construction, healthcare, manufacturing & distribution, transportation, franchising, etc.)

Banking Reference:

First National Bank

Kevin Thompson, VP Commercial Banking

11404 West Dodge Road, #4250

Omaha, NE 68154

kthompson@fnni.com

402.602.5213

No such condition is known by the contractor regarding judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

C. CHANGE OF OWNERSHIP

No change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date.

D. OFFICE LOCATION

The contractor's office location responsible for performance pursuant to an award of a contract with the State of Nebraska:

Lutz & Company, P.C.
13616 California Street, Suite 300
Omaha, NE 68154

E. RELATIONSHIP WITH THE STATE

The Lutz Healthcare team is not aware of any contracts with the State over the previous five (5) years.

F. CONTRACTOR'S EMPLOYEE RELATIONS TO STATE

No Party named in the contractor's proposal response is or was an employee of the State within the past sixty (60) months.

G. CONTRACT PERFORMANCE

The contractor and all proposed Subcontractors have had no contract terminations for default during the past five (5) years with the State of Nebraska.

H. SUMMARY OF CONTRACTOR'S CORPORATE EXPERIENCE

See matrix on page 5 of past projects highlighting similarities between the contractor's experience and the scope of work tasks outlined.

Project Name	Main Street Clinic Provider Based Rural Health Clinic Analysis	Medicare Reimbursement Analysis for change in square footage on new hospital building	Medicare Cost Report Analysis
Project Time Period	Five Months (Oct '18 - Feb '19)	Four Months(Oct '16 - Jan '17)	Six Months (Jan '18 - Jun '18)
Scheduled Completed Date	February 2019	December 2016	June 2018
Actual Completed Date	February 2019	January 2017	June 2018
Contractor's Responsibilities	Complete an operational review of the cost report and financial statements to help the CAH identify areas for improvement, including converting the free-standing RHC to a provider based RHC, identifying the need to restructure costs in the ER Department, identifying the need to review their contract with their physical therapy company as they were over the acceptable expense threshold set by Medicare. From a financial statement perspective we helped them complete accurate financial statements and a Medicare Interim rate Change Request to help them manage their Medicare payment rates throughout the year based on costs.	Complete a feasibility study to analyze changes to Medicare reimbursement for the change in the square footage of the new hospital location. We also assisted in helping providers understand and update their enrollment and licensure information for the relocation of the hospital for proper billing and reimbursement. We also assisted in understanding the accounting implications of building the new hospital facility.	Review 2015/2016 Medicare cost report and re-open/revise based on corrections. We also assisted the hospital from a financial perspective by helping them complete a schedule for two material accounting estimates - Medicare cost settlements and allowances for contractals and bad debts. We prepared a financial assessment for their board strategic planning meeting including important financial statements ratios, trends, and benchmarking to help the board make strategic decisions. We also came on-site to the facility to complete a operational review of their revenue cycle, including recommendations on denials management, chargemaster management, medical charting process, self-pay process and fully utilizing their EMR.
Customer Name	Theresa Rizzo, CEO Franklin Co. Memorial Hospital Phone Number: 308-425-6221 Fax Number: 308-425-3164 Email Address: trizzo@fcmh.biz	Michael Harvey, CEO Syracuse Area Health Phone Number: 402-269-2010 Fax Number: 402-269-2795; Email Address: mharvey@syracuseareahealth.com	Kevin Stansbury, CEO Lincoln Community Hospital Phone Number: 719-743-2421 Fax Number: N/A Email Address: kstansbury@lchnh.com
Contractor Status	Prime Contractor, Lutz; Planned budget and actual budget \$31,700	Prime Contractor, Lutz; Planned budget and actual budget \$19,205	Prime Contractor, Lutz; Planned budget and actual budget \$34,800

H. SUMMARY OF CONTRACTOR'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The engagement team for Nebraska Department of Administrative Services is experienced and specializes in the healthcare industry. Your engagement team will be as follows:

- Paul Baumert, Healthcare Consulting Shareholder
- Julianne Kipple, Healthcare Director
- Katie Roberts, Healthcare Manager
- Chase Dudzinski, Healthcare Senior
- Amy Evanich, Healthcare Consulting Senior

The Lutz Healthcare group takes a team approach to completing client work. We are proud of the dynamic experience and credentials our team has that allows us to be subject matter experts in many different areas of the Healthcare industry. See our team references on pg. 19 and our individual resumes on pages 7-11.

Contract oversight will be completed by Paul Baumert and Julianne Kipple who will delegate the financial and operational assessments outlined in scope of work to Katie Roberts, Chase Dudzinski, or one of the identified subcontractors based on their industry expertise. See figure 1-1 to identify which business entity will complete each specific component of the statement of work. Amy Evanich will provide oversight of contract timelines, client communication, contract communication, and report compilation. All team members report to Paul Baumert.



PAUL BAUMERT

HEALTHCARE CONSULTING SHAREHOLDER

Paul Baumert is a Consulting Shareholder at Lutz with over 20 years of experience in accounting and consulting for healthcare and nonprofit industries. He specializes in the areas of financial management support services and reimbursement analysis.

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SUITE 300
OMAHA, NE 68154

Lutz

ACCOUNTING · FINANCIAL · TECH · M&A · TALENT

AREAS OF FOCUS

- Healthcare Reimbursement
- Healthcare Accounting

AFFILIATIONS & CREDENTIALS

- Nebraska Society of Certified Public Accountants, Member
- American Institute of Certified Public Accountants, Member
- Healthcare Financial Management Association, Member
- Certified Public Accountant
- Fellow of the Healthcare Financial Management Association

COMMUNITY SERVICE

- Elkhorn Public School Foundation, President
- Iowa Healthcare Financial Management Association, Past President
- Nebraska Society of Certified Public Accountants Legislation Committee, Chairman

EDUCATIONAL BACKGROUND

- BSBA, Creighton University, Omaha, NE



JULIANNE KIPPLE

HEALTHCARE DIRECTOR

Julianne Kipple is a Healthcare Director at Lutz with over 10 years of professional experience in the healthcare industry. Her expertise is in accounting and consulting services for healthcare facilities, including outsourced CFO services, Medicare and Medicaid reimbursement, and Medicaid Disproportionate Share Surveys (DSH).

402.827.2079

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Lutz

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AREAS OF FOCUS

- Healthcare Accounting & Consulting
- Medicare & Medicaid Reimbursement
- Outsourced CFO Services
- Medicaid Disproportionate Share Surveys (DSH)
- Financial Support Services

AFFILIATIONS & CREDENTIALS

- Healthcare Financial Management Association, Member
- American Institute of Certified Public Accountants, Member
- Nebraska Society of Certified Public Accountants, Member
- Certified Public Accountant
- Certified Healthcare Financial Professional

EDUCATIONAL BACKGROUND

- MBA, Creighton University, Omaha, NE
- BSBA in Accounting, with high distinction, Creighton University, Omaha, NE



KATIE ROBERTS

HEALTHCARE MANAGER

Katie Roberts is a Healthcare Manager at Lutz with over four years of experience in accounting. She is responsible for providing accounting and consulting services to healthcare organizations with a focus on outsourced CFO services and reimbursements.

402.821.2351

KROBERTS@LUTZ.US

13616 CALIFORNIA STREET
SUITE 300
OMAHA, NE 68154



ACCOUNTING · FINANCIAL · TECH · M&A · TALENT

AREAS OF FOCUS

- Accounting & Consulting
- Outsourced CFO Services
- Reimbursements
- Medicare Cost Reports
- Healthcare Industry

AFFILIATIONS & CREDENTIALS

- Nebraska Society of Certified Public Accountants, Member
- Healthcare Financial Management Association, Member
- Certified Public Accountant
- Certified Healthcare Financial Professional

EDUCATIONAL BACKGROUND

- MPA, University of Nebraska, Lincoln, NE



CHASE DUDZINSKI

SENIOR HEALTHCARE ACCOUNTANT

Chase Dudzinski is a Senior Healthcare Accountant at Lutz with over 3 years of professional experience in the Healthcare industry. He specializes in the areas of assurance and consulting services to clients with a focus on the healthcare industry. Chase is responsible for providing accounting & consulting services to healthcare organizations with a focus on outsourced CFO services and reimbursement.

402.778.7997

CDUDZINSKI@LUTZ.US

13616 CALIFORNIA STREET
SUITE 300
OMAHA, NE 68154



ACCOUNTING · FINANCIAL · TECH · M&A · TALENT

AREAS OF FOCUS

- Hospital CFO Services
- Healthcare Industry

AFFILIATIONS & CREDENTIALS

- Certified Public Accountant

INVOLVEMENT/LEADERSHIP

- Kansas Hospital Association Affiliate, Member
- Hospital Financial Management Association, Member
- Lutz Leadership Program, Member

EDUCATIONAL BACKGROUND

- MPA, University of Nebraska, Lincoln, NE
- Bachelor's Degree in Accounting, with a Minor in Finance and Spanish, University of Nebraska, Lincoln, NE
- GPA: 3.809



AMY EVANICH

HEALTHCARE CONSULTING SENIOR

Amy Evanich is a Healthcare Consulting Senior at Lutz with over 10 years of professional experience in the Healthcare industry, including five years employed by a nationwide Medicare Contractor. She specializes in the areas of medical chart reviews, appeal preparation, Medicare regulation guidance, interpretation, and education, and healthcare billing policies and procedures.

402.769.7055

AEVANICH@LUTZ.US

13616 CALIFORNIA STREET
SUITE 300
OMAHA, NE 68154

Lutz

ACCOUNTING · FINANCIAL · TECH · M&A · TALENT

AREAS OF FOCUS

- Healthcare Reimbursement
- Audit Response Assistance and Appeal Preparation
- Medical Chart Review including Medical Necessity
- Healthcare Billing

AFFILIATIONS & CREDENTIALS

- Registered Nurse (RN), 2008
- Masters of Science in Nursing (MSN), 2012

COMMUNITY SERVICE

- Nebraska Action Coalition Leadership Team
- Nebraska Rural Health Association Annual Conference, Committee Member

EDUCATIONAL BACKGROUND

- Bachelor of Science in Nursing (BSN), Clarkson College, Omaha, NE
- Master of Science in Nursing Health Care Administration (MSN), Clarkson College, Omaha, NE

Spencer Fane LLP is an AV-rated law firm, providing services in Kansas City, Missouri since 1952 and in Omaha, Nebraska since 2004. Spencer Fane's hospital clients include 10 critical access hospitals, for which Spencer Fane offers a full range of legal services, including governance, corporate compliance, provider contracting, medical staff issues, employment, litigation, and regulatory appeals. Spencer Fane's health care team includes 8 attorneys who focus their entire practice on representing hospitals and other healthcare providers, together with a number of additional attorneys who provide specialty services in the healthcare arena. Many of our lawyers have earned AV and Best Lawyers distinction and have represented client hospitals continuously for more than 20 years. We understand the financial constraints under which rural hospitals must operate and we work closely with hospital administration to provide needed services as economically as possible. Our breadth and depth of experience and personnel assures that we can deliver services in a timely and thorough manner. Our long-standing relationships with multiple critical access hospitals reflects the quality and efficiency of our services and gives us the necessary insight and experience to efficiently and effectively assess key legal vulnerabilities that can impact a hospital's financial viability.

SourcePoint is a registered Service Connected Disabled Veteran Owned consulting firm that combines specific analytics and expertise in healthcare operations to help rural and critical access hospitals streamline operations, reduce hard dollar costs and improve efficiencies. SourcePoint has experience working with over 20 rural and critical access hospitals providing hard dollar cost reduction solutions through contract negotiations, debt settlement negotiations and improved operational efficiencies. This experience comes through both one time, project-based engagements as well as via long term contractual relationships. This work has enabled SourcePoint to benchmark its clients across various operational departments relative to pricing, contract terms, service levels and staffing.

The SourcePoint solution incorporates the following, relative to supply, equipment and support services cost categories:

- GPO Analysis & Contract Utilization
- Contract-Invoice Forensics and Debt Settlement
- Service Contract Review and Negotiations
- Prime Vendor Negotiations and Contracting
- Capital Equipment Acquisition Analysis, Negotiations and Contracting
- Benchmarking, Process Improvement and Analytics

See Figure 1-1 (page 13-16) for the following information:

- name, address, and telephone number of the Subcontractor(s);
- specific tasks for each Subcontractor(s);
- percentage of performance hours intended for each Subcontract; and
- total percentage of Subcontractor(s) performance hours.

FIGURE 1-1



LUTZ & COMPANY, P.C.
13616 CALIFORNIA STREET, SUITE 300
OMAHA, NE 68154
402.769.7055

TASKS:

- **FINANCIAL ASSESSMENT INCLUDING:**
 - **DAYS IN NET ACCOUNTS RECEIVABLE**
 - **DAYS IN GROSS ACCOUNTS RECEIVABLE**
 - **DAYS CASH ON HAND**
 - **TOTAL MARGIN**
 - **OPERATING MARGIN**
 - **DEBT SERVICE COVERAGE**
 - **SALARIES TO NET PATIENT REVENUE**
 - **MEDICARE INPATIENT PAYER MIX**
 - **AVERAGE AGE OF PLAN (YEARS)**
 - **LONG-TERM DEBT TO CAPITALIZATION**
- **OPERATIONAL ASSESSMENT INCLUDING:**
 - **REVIEW OF ALL STAFFING LEVELS AND DETERMINATION OF APPROPRIATENESS**
 - **REVIEW OF ALL INPATIENT AND OUTPATIENT SERVICES, INCLUDING SPECIALTY CLINICS, AND RECOMMENDATIONS FOR IMPROVEMENTS/SERVICE EXPANSION OPPORTUNITIES/SERVICE REDUCTION RECOMMENDATIONS**
 - **REVIEW OF ALL ANCILLARY DEPARTMENTS AND RECOMMENDATIONS FOR IMPROVEMENTS**
 - **REVIEW OF ALL FINANCIAL COMPONENTS FOR THE CAH AND RECOMMENDATIONS FOR IMPROVEMENTS**

PERCENTAGE OF PERFORMANCE HOURS: 69%

**SPENCER FANE, LLP
9401 INDIAN CREEK PARKWAY, SUITE 700
OVERLAND PARK, KS 66210
816.474.8100**

- **REVIEW OF FOLLOWING RECEIVED IN THE PRECEDING YEAR:**
 - **CLAIMS, DEMANDS, COMPLAINTS RECEIVED FROM PATIENTS, EMPLOYEES, OR REGULATORS**
 - **HOTLINE REPORTS**
 - **AUDIT REPORTS**
 - **LEGAL PROCESS RECEIVED BY THE HOSPITAL**
- **REQUEST AN INVENTORY OF KEY BYLAWS, POLICIES, AND PROCEDURES, INADEQUACY OF WHICH COULD AFFECT THE HOSPITAL'S FINANCIAL LIABILITY (E.G. ORGANIZATIONAL AND MEDICAL STAFF BYLAWS, COMPLIANCE PLAN, EMTALA, HIPAA, FINANCIAL ASSISTANCE POLICY, ETC.) AND DATES OF THEIR ADOPTION AND REVISION.**
- **REQUEST AN INVENTORY OF CURRENT HEALTHCARE PROVIDER CONTRACTS, THEIR TERMINATION AND RENEWAL DATES AND COMPENSATION RATES TO CHECK FOR OUTLIERS THAT MAY REQUIRE FURTHER REVIEW.**

PERCENTAGE OF PERFORMANCE HOURS: 7%

**SOURCEPOINT
103 INMAN CIRCLE
KILGORE, TX 75663
913.706.8678**

- **FINANCIAL ASSESSMENT; SOURCEPOINT WILL REVIEW VENDOR AGREEMENTS FOR SUPPORT SERVICES AND IDENTIFY OPPORTUNITIES TO IMPROVE COVERAGE, SUPPORT AND/OR PRICING.**
 - **CONTACT ASSESSMENT:**
 - **GROUP PURCHASING ORGANIZATION (GPO)**
 - **HOUSEKEEPING/LAUNDRY SERVICE**
 - **RADIOLOGY EQUIPMENT LEASE AND SERVICE**
 - **PHARMACY WHOLESALE**
 - **MEDICAL SUPPLY DISTRIBUTION**
 - **REFERENCE LABORATORY TESTING**
 - **LABORATORY EQUIPMENT LEASE AND SERVICE**
 - **FOOD SERVICE DISTRIBUTION**
 - **COPIER/PRINTER EQUIPMENT LEASE AND SERVICE**
 - **MEDICAL AND SOLID WASTE SERVICE**
 - **BULK AND CYLINDER OXYGEN LEASE AND SERVICE**
 - **CONTRACT ACCURACY: ASSESSMENT WILL INCLUDE A COMPARISON OF VENDOR INVOICES TO CONTRACTS IN ORDER TO DOCUMENT ACCURACY AND ANY VENDOR DEFICIENCIES RELATIVE TO CONTRACT TERMS.**
 - **RECOMMENDATIONS: RECOMMENDATIONS WILL BE RENDERED DETAILING ANY OPPORTUNITIES TO IMPROVE SERVICE AND/OR REDUCE CONTRACT RELATED COSTS.**
- **OPERATIONAL ASSESSMENT; SOURCEPOINT WILL REVIEW OPERATIONS AND STAFF LEVELS IN THE FOLLOWING DEPARTMENTS:**
 - **DEPARTMENTS REVIEWED:**
 - **LABORATORY**
 - **RADIOLOGY**
 - **PHARMACY**
 - **MATERIALS MANAGEMENT**
 - **FOOD SERVICE**
 - **HOUSEKEEPING**
 - **LABOR LEVELS/SALARIES WILL BE BENCHMARKED AGAINST SIMILAR ORGANIZATIONS.**
 - **RECOMMENDATIONS: RECOMMENDATIONS WILL BE RENDERED DETAILING ANY OPPORTUNITIES TO LOWER OR 'RIGHT SIZE' STAFF RELATED COSTS AND IMPROVE OPERATIONS.**

PERCENTAGE OF PERFORMANCE HOURS: 24%

2. TECHNICAL APPROACH

A. UNDERSTANDING OF THE PROJECT REQUIREMENTS

The Lutz Healthcare Team and identified subcontractors have collaboratively been involved in the preparation of this proposal in response to State of Nebraska Solicitation 6134 Z1 to provide Financial and Operational Critical Access Hospital (CAH) Assessment Services. All are aware of and understand the project requirements.

B. RESPONSES TO SECTION V.F. BIDDER REQUIREMENTS - TECHNICAL APPROACH

See page 18.

B. RESPONSES TO SECTION V.F. BIDDER REQUIREMENTS - TECHNICAL APPROACH

- 1 *The bidder should describe its approach to and knowledge of assessing an organization's financial and operational health; please address knowledge of hospitals in rural areas.*

Bidder Response: The Financial and Operational Critical Access Hospital (CAH) Assessment will focus on reviewing financial and operational benchmarks of the CAH participating in the assessment as compared to other Nebraska CAHs and Midwest CAHs (if need as identified by the contractor) to identify outliers and indicators of financial risk. Based on this data, the contractor then determines the contributing factors and makes recommendations for improvement based on these findings. Paul Baumert and the Lutz Healthcare team have over 20 years' experience with CAHs and currently works with over 50 CAHs in Nebraska and other midwestern states in the areas of financial, reimbursement, billing and coding.

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- 2 *The bidder should provide one (1) example of previous assessment completed that demonstrates their expertise and ability to conduct required assessments.*

Bidder Response: Due to an analysis of a CAH financial and reimbursement data, the Lutz Healthcare Team identified an opportunity to reduce ER on-call expenses by switching providers and performing a time study for the Medicare Cost Report. Total expenses reduced by approximately \$100,000 and reimbursement increased by \$50,000

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- 3 *The bidder should describe its company's proposed approach to completing the work detailed in Section V.C Scope of Work. Provide an in-depth description of the proposed services to provide, the methods to be used, and the proposed outcomes to be achieved.*

Bidder Response: Upon notification of CAH selection and contract engagement, a kick off meeting will be scheduled within 2 weeks including: a) identified CAH, b) Lutz (Contractor), c) SpencerFane (Sub-contractor), and d) SourcePoint (Sub-contractor) to outline project timelines, expectations, processes, and deliverables. During this kick off meeting, an information request will be provided and reviewed with all parties. It is the expectation that the CAH will submit all items identified in the information request letter through a secure portal within 2-4 weeks. The contractor and subcontractors will take 2 weeks to review the information, ensure all requested items have been submitted and formulate preliminary findings of the financial and operational assessment.

Paul Baumert and one additional Lutz Healthcare Team member will complete a 2-day onsite visit to review findings, opportunities for improvement, conduct staff interviews, and provide suggestions. A conference call will also be held with SpencerFane and SourcePoint during this visit to ensure uniformity and collaboration between all parties during the assessment. The preliminary findings will be used to narrow down the focus and formulate the assessment's onsite work plan and inquires to the CAH.

Within 30 days of the onsite visit, a report will be completed outlining all items set forth in V.C. DHHS will then have the opportunity to review all deliverables for approval. Once approved, the deliverable will be shared with the CAH. A two (2) hour webinar or video conferencing will be scheduled with a) identified CAH, b) Lutz (Contractor), c) SpencerFane (Sub-contractor), and d) SourcePoint (Sub-contractor) to review the report.

REFERENCES

FRANKLIN COUNTY MEMORIAL HOSPITAL

Theresa Rizzo, CEO | 308.425.6221

1406 Q Street | Franklin, NE 68939

GENOA COMMUNITY HOSPITAL

Angie Sutton, DOF | 402.993.4586

706 Ewing Avenue, PO Box 310 | Genoa, NE 68640

CHASE COUNTY COMMUNITY HOSPITAL

Steve Lewis, CEO | 308.882.7291

PO Box 819 | Imperial, NE 69033

SYRACUSE AREA HEALTH

Michael Harvey, CEO | 402.269.2011

3350 10th Street | Gering, NE 69341

FIRM OVERVIEW

SINCE 1980...

LUTZ IS AN ACCOUNTING AND BUSINESS SOLUTIONS FIRM, BORN AND RAISED IN NEBRASKA, WITH OFFICES IN OMAHA, LINCOLN, HASTINGS AND GRAND ISLAND. OVER THE YEARS, MULTIPLE DIVISIONS HAVE BEEN DEVELOPED TO HELP CURRENT AND FUTURE CLIENTS.

260+ TOP-LEVEL PROFESSIONALS

WE BELIEVE IN RELATIONSHIPS BUILT ON TRUST. OUR PEOPLE SET US APART FROM TRADITIONAL FIRMS. WE HAVE AN EMPLOYEE RETENTION RATE OF 90% COMPARED TO THE INDUSTRY STANDARD OF 81%.

AWARDS

WE HAVE CONSISTENTLY RANKED AS ONE OF THE BEST PLACES TO WORK BOTH LOCALLY AND NATIONALLY...



NATIONAL & INTERNATIONAL SOLUTIONS

We understand that today's world is shrinking and that middle market companies must deal with markets and issues of a national and international nature. To provide us with additional resources to address potential national and international accounting and tax issues, the firm is a member of The Leading Edge Alliance (LEA). The LEA is an alliance of major independently owned accounting and consulting firms that share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The LEA affiliation provides us our national office for tax and accounting needs. We continue to be, however, a separate independent and autonomous firm with no partnership, ownership or profit sharing arrangement with anyone.

The LEA provides members with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency and quality service of a local firm. With 586 offices worldwide, the LEA is ranked as the 2nd largest international firm association. The LEA offers accounting and consulting services through a global alliance of firms with over 23,090 professional staff, more than 2,056 partners with revenues exceeding \$2.9 billion.

THE LUTZ NETWORK

AT LUTZ, WE GO ABOVE AND BEYOND OUR COMPETITION TO MAKE SURE WE FORM A PERSONAL RELATIONSHIP WITH OUR CLIENTS. THIS EXTRA EFFORT ALLOWS US TO UNDERSTAND OUR CLIENTS' UNIQUE OPERATING CHARACTERISTICS, VISION AND GOALS.

Lutz

- Accounting Software
- Assurance
- Business Valuation
- Client Accounting Services
- Employee Benefit Plan Services
- Family Office
- Forensic Services
- Healthcare Accounting and Consulting
- Management Advisory
- State & Local Consulting and Compliance
- Taxation

Lutz

Tech

- Managed Network Services
- Technology Strategy Consulting
- Custom Software Development
- Custom Infrastructure design and implementation

Lutz

Financial

- Financial Planning
- Investment Advisory
- Retirement Plan Services

**These investment advisory services are offered through Lutz Financial Services, LLC.

Lutz

M&A

- Buy-side & Sell-side Representation
- Targeted Marketing Process
- Nationwide Buyer Relationships
- Transaction Advisory Services

Lutz

Talent

- Recruiting & Search Services
- Confidential Replacements
- Temporary Staffing
- Salary Reviews
- Position Description & Advertising Analysis
- Screening & Selection Assistance
- Outplacement Services

ACCOUNTING & TAX + INDUSTRY SPECIALTIES

EVERY INDUSTRY IS UNIQUE AND WE TAKE GREAT PRIDE IN PROVIDING EXPERTISE IN THESE SPECIALTY AREAS:

CONSTRUCTION

- Architects and Engineering
- Building
- Developers
- Heavy Highway
- Specialty Subcontractors

AGRIBUSINESS

- Commodity Traders
- Growers
- Implement Dealers
- Livestock Producers
- Packing Plants
- Seed/Supplement Companies

HEALTHCARE

- Dentists
- Community Health Centers
- Hospitals and Health Systems
- Nursing Homes/Assisted and Independent Living
- Physicians and Clinics
- Rural Health Clinics
- Veterinarians

NONPROFIT

- Arts, Culture and Humanities
- Education and Research
- Foundations
- Government, SID's and HUD's
- Mission-Based

WHOLESALE DISTRIBUTION & MANUFACTURING

- Food Production
- Fabricated Metal
- Plastics and Rubber Products
- Printing and Paper Goods

OTHER

- Finance and Insurance
- Franchising
- Information and Telecommunications
- Professional Services
- Real Estate
- Software and Technology
- Transportation and Warehousing

FIGURE 1-1



LUTZ & COMPANY, P.C.
13616 CALIFORNIA STREET, SUITE 300
OMAHA, NE 68154
402.769.7055

TASKS:

- **FINANCIAL ASSESSMENT INCLUDING:**
 - **DAYS IN NET ACCOUNTS RECEIVABLE**
 - **DAYS IN GROSS ACCOUNTS RECEIVABLE**
 - **DAYS CASH ON HAND**
 - **TOTAL MARGIN**
 - **OPERATING MARGIN**
 - **DEBT SERVICE COVERAGE**
 - **SALARIES TO NET PATIENT REVENUE**
 - **MEDICARE INPATIENT PAYER MIX**
 - **AVERAGE AGE OF PLAN (YEARS)**
 - **LONG-TERM DEBT TO CAPITALIZATION**
- **OPERATIONAL ASSESSMENT INCLUDING:**
 - **REVIEW OF ALL STAFFING LEVELS AND DETERMINATION OF APPROPRIATENESS**
 - **REVIEW OF ALL INPATIENT AND OUTPATIENT SERVICES, INCLUDING SPECIALTY CLINICS, AND RECOMMENDATIONS FOR IMPROVEMENTS/SERVICE EXPANSION OPPORTUNITIES/SERVICE REDUCTION RECOMMENDATIONS**
 - **REVIEW OF ALL ANCILLARY DEPARTMENTS AND RECOMMENDATIONS FOR IMPROVEMENTS**
 - **REVIEW OF ALL FINANCIAL COMPONENTS FOR THE CAH AND RECOMMENDATIONS FOR IMPROVEMENTS**

PERCENTAGE OF PERFORMANCE HOURS: 69%

SPENCER FANE, LLP
9401 INDIAN CREEK PARKWAY, SUITE 700
OVERLAND PARK, KS 66210
816.474.8100

- **REVIEW OF FOLLOWING RECEIVED IN THE PRECEDING YEAR:**
 - **CLAIMS, DEMANDS, COMPLAINTS RECEIVED FROM PATIENTS, EMPLOYEES, OR REGULATORS**
 - **HOTLINE REPORTS**
 - **AUDIT REPORTS**
 - **LEGAL PROCESS RECEIVED BY THE HOSPITAL**
- **REQUEST AN INVENTORY OF KEY BYLAWS, POLICIES, AND PROCEDURES, INADEQUACY OF WHICH COULD AFFECT THE HOSPITAL'S FINANCIAL LIABILITY (E.G. ORGANIZATIONAL AND MEDICAL STAFF BYLAWS, COMPLIANCE PLAN, EMTALA, HIPAA, FINANCIAL ASSISTANCE POLICY, ETC.) AND DATES OF THEIR ADOPTION AND REVISION.**
- **REQUEST AN INVENTORY OF CURRENT HEALTHCARE PROVIDER CONTRACTS, THEIR TERMINATION AND RENEWAL DATES AND COMPENSATION RATES TO CHECK FOR OUTLIERS THAT MAY REQUIRE FURTHER REVIEW.**

PERCENTAGE OF PERFORMANCE HOURS: 7%

**SOURCEPOINT
103 INMAN CIRCLE
KILGORE, TX 75663
913.706.8678**

- **FINANCIAL ASSESSMENT; SOURCEPOINT WILL REVIEW VENDOR AGREEMENTS FOR SUPPORT SERVICES AND IDENTIFY OPPORTUNITIES TO IMPROVE COVERAGE, SUPPORT AND/OR PRICING.**
 - **CONTACT ASSESSMENT:**
 - **GROUP PURCHASING ORGANIZATION (GPO)**
 - **HOUSEKEEPING/LAUNDRY SERVICE**
 - **RADIOLOGY EQUIPMENT LEASE AND SERVICE**
 - **PHARMACY WHOLESALE**
 - **MEDICAL SUPPLY DISTRIBUTION**
 - **REFERENCE LABORATORY TESTING**
 - **LABORATORY EQUIPMENT LEASE AND SERVICE**
 - **FOOD SERVICE DISTRIBUTION**
 - **COPIER/PRINTER EQUIPMENT LEASE AND SERVICE**
 - **MEDICAL AND SOLID WASTE SERVICE**
 - **BULK AND CYLINDER OXYGEN LEASE AND SERVICE**
 - **CONTRACT ACCURACY: ASSESSMENT WILL INCLUDE A COMPARISON OF VENDOR INVOICES TO CONTRACTS IN ORDER TO DOCUMENT ACCURACY AND ANY VENDOR DEFICIENCIES RELATIVE TO CONTRACT TERMS.**
 - **RECOMMENDATIONS: RECOMMENDATIONS WILL BE RENDERED DETAILING ANY OPPORTUNITIES TO IMPROVE SERVICE AND/OR REDUCE CONTRACT RELATED COSTS.**
- **OPERATIONAL ASSESSMENT; SOURCEPOINT WILL REVIEW OPERATIONS AND STAFF LEVELS IN THE FOLLOWING DEPARTMENTS:**
 - **DEPARTMENTS REVIEWED:**
 - **LABORATORY**
 - **RADIOLOGY**
 - **PHARMACY**
 - **MATERIALS MANAGEMENT**
 - **FOOD SERVICE**
 - **HOUSEKEEPING**
 - **LABOR LEVELS/SALARIES WILL BE BENCHMARKED AGAINST SIMILAR ORGANIZATIONS.**
 - **RECOMMENDATIONS: RECOMMENDATIONS WILL BE RENDERED DETAILING ANY OPPORTUNITIES TO LOWER OR 'RIGHT SIZE' STAFF RELATED COSTS AND IMPROVE OPERATIONS.**

PERCENTAGE OF PERFORMANCE HOURS: 24%

B. RESPONSES TO SECTION V.F. BIDDER REQUIREMENTS - TECHNICAL APPROACH

- 1 *The bidder should describe its approach to and knowledge of assessing an organization's financial and operational health; please address knowledge of hospitals in rural areas.*

Bidder Response: The Financial and Operational Critical Access Hospital (CAH) Assessment will focus on reviewing financial and operational benchmarks of the CAH participating in the assessment as compared to other Nebraska CAHs and Midwest CAHs (if need as identified by the contractor) to identify outliers and indicators of financial risk. Based on this data, the contractor then determines the contributing factors and makes recommendations for improvement based on these findings. Paul Baumert and the Lutz Healthcare team have over 20 years' experience with CAHs and currently works with over 50 CAHs in Nebraska and other midwestern states in the areas of financial, reimbursement, billing and coding.

-
- 2 *The bidder should provide one (1) example of previous assessment completed that demonstrates their expertise and ability to conduct required assessments.*

Bidder Response: Due to an analysis of a CAH financial and reimbursement data, the Lutz Healthcare Team identified an opportunity to reduce ER on-call expenses by switching providers and performing a time study for the Medicare Cost Report. Total expenses reduced by approximately \$100,000 and reimbursement increased by \$50,000

-
- 3 *The bidder should describe its company's proposed approach to completing the work detailed in Section V.C Scope of Work. Provide an in-depth description of the proposed services to provide, the methods to be used, and the proposed outcomes to be achieved.*

Bidder Response: Upon notification of CAH selection and contract engagement, a kick off meeting will be scheduled within 2 weeks including: a) identified CAH, b) Lutz (Contractor), c) SpencerFane (Sub-contractor), and d) SourcePoint (Sub-contractor) to outline project timelines, expectations, processes, and deliverables. During this kick off meeting, an information request will be provided and reviewed with all parties. It is the expectation that the CAH will submit all items identified in the information request letter through a secure portal within 2-4 weeks. The contractor and subcontractors will take 2 weeks to review the information, ensure all requested items have been submitted and formulate preliminary findings of the financial and operational assessment.

Paul Baumert and one additional Lutz Healthcare Team member will complete a 2-day onsite visit to review findings, opportunities for improvement, conduct staff interviews, and provide suggestions. A conference call will also be held with SpencerFane and SourcePoint during this visit to ensure uniformity and collaboration between all parties during the assessment. The preliminary findings will be used to narrow down the focus and formulate the assessment's onsite work plan and inquires to the CAH.

Within 30 days of the onsite visit, a report will be completed outlining all items set forth in V.C. DHHS will then have the opportunity to review all deliverables for approval. Once approved, the deliverable will be shared with the CAH. A two (2) hour webinar or video conferencing will be scheduled with a) identified CAH, b) Lutz (Contractor), c) SpencerFane (Sub-contractor), and d) SourcePoint (Sub-contractor) to review the report.

II. TERMS AND CONDITIONS

Contractors should complete Sections II through VI as part of their proposal. Contractor is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The contractor should also provide an explanation of why the contractor rejected the clause or rejected the clause and provided alternate language. By signing the solicitation, contractor is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and contractor fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this solicitation. The State of Nebraska reserves the right to reject proposals that attempt to substitute the contractor's commercial contracts and/or documents for this solicitation.

The contractors should submit with their proposal any license, user agreement, service level agreement, or similar documents that the contractor wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the contractor's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The contract resulting from this solicitation shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Contractor's proposal (Solicitation and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to solicitation and any Questions and Answers, 4) the original solicitation document and any Addenda, and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

C. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

D. BEGINNING OF WORK

The contractor shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

E. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

F. CHANGE ORDERS OR SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the solicitation. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

In the event any product is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract or purchase order to include the alternate product at the same price.

*****Contractor will not substitute any item that has been awarded without prior written approval of SPB*****

G. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

H. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR in case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

I. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

J. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

K. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY (Optional)

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this solicitation.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

L. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PD			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

M. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

N. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

O. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

P. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
pb			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

Q. OFFICE OF PUBLIC COUNSEL (Statutory)

If it provides, under the terms of this contract and on behalf of the State of Nebraska, health and human services to individuals; service delivery; service coordination; or case management, Contractor shall submit to the jurisdiction of the Office of Public Counsel, pursuant to Neb. Rev. Stat. §§ 81-8,240 et seq. This section shall survive the termination of this contract.

R. LONG-TERM CARE OMBUDSMAN (Statutory)

Contractor must comply with the Long-Term Care Ombudsman Act, per Neb. Rev. Stat. §§ 81-2237 et seq. This section shall survive the termination of this contract.

S. SUSPENSION OF SERVICE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
pb			

SPB, upon notice from DHHS may, at any time and without advance notice, require Contractor to suspend any or all activities provided under this Contract. A suspension may be the result of a reduction in federal or state funds, budget freeze, emergency, contract compliance issues, investigation, or other reasons not stated here.

1. In the event of such suspension, SPB, upon notice from the DHHS Chief Operating Officer/Contract Administrator or designee will issue a written Stop Work Order to the Contractor. The Stop Work Order will specify which activities are to be immediately suspended, the reason(s) for the suspension, and, if possible, the known duration period of the suspension.
2. Upon receipt of the Stop Work Order, the Contractor shall immediately comply with its terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the order during the period of suspension.
3. SPB, upon notice from the DHHS Chief Operating Officer/Contract Administrator or designee may extend the duration of the suspension by issuing a modified Stop Work Order which states the new end date of the suspension and the reason for the extension.
4. The suspended activity may resume when (i) the suspension period identified in the Stop Work Order has ended or (ii) when SPB, upon notice from the DHHS Chief Operating Officer/Contract Administrator or designee has issued a formal written notice cancelling the Stop Work Order or directing Contractor to resume partial services.

T. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
 - g. Contractor intentionally discloses confidential information;
 - h. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

U. CONTRACT CLOSEOUT

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
pb			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contactor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contactor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the contractor's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
2. The completed United States Attestation Form should be submitted with the solicitation response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this solicitation.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. DISCOUNTS

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the proposal. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

F. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the contractor, F.O.B. destination named in the solicitation. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

All prices, costs, and terms and conditions submitted in the proposal shall remain fixed and valid commencing on the opening date of the proposal until the contract terminates or expires.

The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

The State will be given full proportionate benefit of any decreases for the term of the contract.

G. COST CLARIFICATION

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

H. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PD			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

I. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

J. INSURANCE REQUIREMENTS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
pb			

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) years of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the**

contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
Independent Contractors	Included
If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Department of Health and Human Services
 Division of Public Health
 Attn: Office of Rural Health Program Manager
 301 Centennial Mall S. 3rd floor
 Lincoln, NE 68509

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

K. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

L. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

M. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

By submitting a proposal, contractor certifies that there does not now exist a relationship between the contractor and any person or entity which is or gives the appearance of a conflict of interest related to this solicitation or project.

The contractor certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its goods and services hereunder or which creates an actual or an appearance of conflict of interest.

The contractor certifies that it will not knowingly employ any individual known by contractor to have a conflict of interest.

The Parties shall not knowingly, for a period of two (2) years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the solicitation or project, or who had any influence on decisions affecting the Solicitation or project.

N. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

O. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.htm> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

P. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

Q. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

R. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. §§81-2403 states, "[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency."

B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor

C. INVOICES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. Contractor shall provide a copy of final report with invoice. An email address will be provided to the awarded contractor for invoices. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

E. PAYMENT (Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

F. LATE PAYMENT (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

The State shall have the right to audit the Contractor's performance of this contract upon a thirty (30) days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
PB			

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent (0.5%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

Form A
Contractor Proposal Point of Contact
Request for Proposal Number 6134 Z1

Form A should be completed and submitted with each response to this solicitation. This is intended to provide the State with information on the contractor's name and address, and the specific person(s) who are responsible for preparation of the contractor's response.

Preparation of Response Contact Information	
Contractor Name:	Lutz
Contractor Address:	13616 California Street, Suite 300 Omaha, NE 68154-5336
Contact Person & Title:	Amy Evanich, Healthcare Senior
E-mail Address:	aevanich@lutz.us
Telephone Number (Office):	402.769.7055
Telephone Number (Cellular):	402.917.0580
Fax Number:	402.496.2711

Each contractor should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the contractor's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Contractor Name:	Lutz
Contractor Address:	13616 California Street, Suite 300 Omaha, NE 68154-5336
Contact Person & Title:	Amy Evanich, Healthcare Senior
E-mail Address:	aevanich@lutz.us
Telephone Number (Office):	402.769.7055
Telephone Number (Cellular):	402.917.0580
Fax Number:	402.496.2711

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

By signing this Request for Proposal for Contractual Services form, the contractor guarantees

CONTRACTOR MUST COMPLETE THE FOLLOWING

compliance with the procedures stated in this Solicitation, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that contractor maintains a drug free work place.


Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation.

I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)


FIRM:	Lutz
COMPLETE ADDRESS:	13616 California Street, Suite 300, Omaha, NE 68154-5336
TELEPHONE NUMBER:	402.827.2315
FAX NUMBER:	402.496.2711
DATE:	9.11.2019
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Paul Baumert, Healthcare Shareholder

United States Citizenship Attestation Form

For the purpose of complying with Neb. Rev. Stat. §§ 4-108 through 4-114, I attest as follows:

<input checked="" type="checkbox"/> I am a citizen of the United States.
— OR —
<input type="checkbox"/> I am a qualified alien under the federal Immigration and Nationality Act, my immigration status and alien number are as follows: _____, and I agree to provide a copy of my USCIS documentation upon request.

I hereby attest that my response and the information provided on this form and any related application for public benefits are true, complete, and accurate and I understand that this information may be used to verify my lawful presence in the United States.

PRINT NAME	<u>Paul Raymond Baumer</u> <small>(first, middle, last)</small>
SIGNATURE	<u></u>
DATE	<u>9/11/19</u>