AWARD/CONTRACT

1. Solicitation Number **CFOPD-25-R-030**

Page of Pages: 1 | 72 + Attachments

2. Contract Number: **CFOPD-26-C-002A**

3. Effective Date: See 20C

4. Requisition/Purchase Request/Project No.:

5. Issued By — Code:
Office of the Chief Financial Officer
Office of Contracts
1100 - 4th Street, SW., Suite E610
Washington, DC 20024

6. Administered By (If other than line 5)

7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code)
Bert W Smith, Jr., & CO., Chartered DBA Bert Smith and Company
1101 15h Street, NW, Suite 202
Washington, DC 20005
Attn: Geoge Willie - Managing Pertmer
gwillie@bertsmithco.com 202-393-5600 (o)
Code: Facility:

8. Delivery
[X] FOB Destination [ ] Other (See Schedule Section F)

9. Discount for prompt payment

10. Submit Invoices to the Address shown in Line 12 (2 copies unless otherwise specified) — Item:

11. Ship to/Mark For — Code:
Office of the Chief Financial Officer
Department of Health Care Finance
Fredrick Hoeflinger, Suite 950N
441 4th Street, N.W.
Washington, DC 20001
202-442-9071

12. Payment will be made by — Code:
Office of the Chief Financial Officer
Office of Management and Administration
Financial Operations/Accounts Payable
https://vendorportal.dc.gov
1100 4th Street, SW Suite E600
Washington, DC 20024

13. Contract Type: Requirements with NTE Ceiling

14. Accounting and Appropriation Data

15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount
1	See Section B Price Schedule	1	Lot	NTE $1,146,142.50	NTE $1,146,142.50
			Total Amount of Contract		NTE $1,146,142.50

16. Table of Contents

(X)	Section	Description	Pages	(X)	Section	Description	Pages
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Contracting Officer will Complete Item 17 or 18 as Applicable

17 [X] CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 pdf copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18 [ ] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/ contract. No further contractual document is necessary.

19A. Name and Title of Signer (Type or print)
George S. Willie, Managing Partner

20A. Name of Contracting Officer Anthony A. Stover, CPPO or Drakus Wiggins, CPPO, CPPB

19B. Name of Contractor
Bert W. Smith, Jr. & Co., Chartered
DBA Bert Smith & Co.
(Signature of person authorized to sign)

19C. Date Signed: 10/30/2025

20B. District of Columbia
(Signature of Contracting Officer)

20C. Date Signed: Nov 24, 2025

SECTION B

CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE

B.1 GENERAL INFORMATION

The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of Department of Health Care Finance (DHCF) (the "District") is awarding a contract to provide medical audit services to assure that payments made to health care services providers participating in the Medicaid Program are in compliance with Federal and District laws and rules, and comply with federal and District audit requirements.

B.2 CONTRACT TYPE

B.2.1 The District is awarding a requirements type contract based on fixed unit prices.

B.3 ALL-INCLUSIVE PRICING

The stated Price Per Unit for each Contract Line Item Number (CLIN) shall be fixed, inclusive of all of the Contractor's direct cost, indirect cost, and profit; including travel, material, and delivery costs. The price shall include all cost associated with the services described in and required by the Contract. The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount of the Contract.

B.3.1 NONPROFIT FAIR COMPENSATION ACT OF 2020, D.C. Code § 2-222.01 *et seq.*

Nonprofit organizations, as defined in the Act, shall include in their rates the indirect costs incurred in provision of goods or performance of services under this contract pursuant to the nonprofit organization's unexpired Negotiated Indirect Cost Rate Agreement (NICRA). If a nonprofit organization does not have an unexpired NICRA, the nonprofit organization may elect to instead include in its rates its indirect costs:

(1) As calculated using a *de minimis* rate of 10% of all direct costs under this contract;
(2) By negotiating a new percentage indirect cost rate with the awarding agency;
(3) As calculated with the same percentage indirect cost rate as the nonprofit organization negotiated with any District agency within the past two years; however, a nonprofit organization may request to renegotiate indirect costs rates in accordance with B.3.2; or
(4) As calculated with a percentage rate and base amount, determined by a certified public accountant using the nonprofit organization's audited financial statements from the immediately preceding fiscal year, pursuant to the OMB Uniform Guidance and certified in writing by the certified public accountant.

B.3.2 If this contract is funded by a federal agency, indirect costs shall be consistent with the requirements for pass-through entities in 2 C.F.R. § 200.331, or any successor regulations.

B.3.3 The Contractor shall pay its subcontractors which are nonprofit organizations the same indirect cost rates as the nonprofit organization subcontractors would have received as a prime contractor.

B.4 REQUIREMENTS CONTRACT

B.4.1 The District will purchase its requirements of the items and services included herein from the Contractor. The estimated quantities stated in the Price Schedule reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements.

B.4.2 Performance shall be made only as authorized by orders issued in accordance with the Ordering Clause, in Section G.7. The Contractor(s) shall furnish to the District, when and if ordered, the services specified in the Schedule.

B.4.3 There is no limit on the number of orders that may be issued.

B.4.4 Any order issued during the effective period of this Contract and not completed within that period shall be completed by the Contractor (s) within the time specified in the order. The Contract shall govern the Contractor's and District's rights and obligations with respect to that order to the same extent as if the order were completed during the Contract's effective period

B.5 PRICE SCHEDULE FIRM FIXED PRICE

B.5.1 BASE YEAR

B.5.1.1 The Not-to-Exceed Amount of the Contract Base Year is $1,146,142.50

CLIN	Item Description	Unit Price (B)
001	SSAE-18 SOC 1 Type II Audit	$97,750.00 Per Report
002	Audit of Providers Providing Services under §1115 and §1915(c) Waivers	$19,950.00 Per Report
003	Stevie Sellows Fund Audit	$20,400.00 Per Report
004	Nursing Home Quality of Care Fund Audit	$20,400.00 Per Report
005	Stand Alone Nursing Facilities - Full Scope	$35,150.00 Per Report
006	Stand Alone Nursing Facilities - Limited Scope	$17,385.00 Per Report
007	Stand Alone Nursing Facilities - Desk Review	$10,925.00 Per Report
008	Hospital Based Nursing Facilities - Full Scope	$31,662.50 Per Report
009	Hospital Based Nursing Facilities - Limited Scope	$16,575.00 Per Report

CLIN	Item Description	Unit Price (B)
010	Hospital Based Nursing Facilities - Desk Review	$9,520.00 Per Report
011	ICFIID - Full Scope	$23,560.00 Per Report
012	ICFIID - Limited Scope	$14,178.75 Per Report
013	ICFIID - Desk Review	$5,985.00 Per Report
014	CASSIP - Full Scope	$51,323.75 Per Report
015A	Hospital DSH Procedures	$46,455.00/$7,742.50 Per Hospitals/Procedures
015B	DSH Reporting	$46,455.00 Per Report
016	Specialty Hospitals (Public and Private) - Full Scope	$46,070.00 Per Report
017	Specialty Hospitals (Public and Private) - Limited Scope	$27,455.00 Per Report
018	Specialty Hospitals (Public and Private) - Desk Review	$13,775.00 Per Report
019	D.C. Public Schools - Full Scope Only	$27,265.00 Per Report
020	CFSA Healthy Horizon Clinic - Full Scope Only	$28,025.00 Per Report
021	D.C. Charter Schools - Full Scope	$23,885.00 Per Report
022	D.C. Charter Schools - Limited Scope	$12,155.00 Per Report
023	D.C. Charter Schools - Desk Review	$5,780.00 Per Report
024	OSSE - Full Scope Only	$29,283.75 Per Report
025	D.C. Fire & Emergency Medical Services Full Scope	$32,110.00 Per Report
026	Federally Qualified Health Centers Full Scope	$23,560.00 Per Report
027	Home Health Agencies - Full Scope	$20,952.50 Per Report
028	Home Health Agencies - Limited Scope	$9,350.00 Per Report
029	Home Health Agencies - Desk Review	$6,290.00 Per Report
030	DRG Hospitals - Full Scope	$45,220.00 Per Report
031	DRG Hospitals - Limited Scope	$23,885.00 Per Report
032	DRG Hospitals - Desk Review	$11,900.00 Per Report

CLIN	Item Description	Unit Price (B)
033	Audit of Providers Subject to Provider Taxes--hospitals	$25,840.00 Per Report
034	Audit of Providers Subject to Provider Taxes—nursing homes	$26,125.00 Per Report
035	Audits of Incurred Claims of DC Healthy Families Program Managed Care Organizations	$44,650.00 Per Report
036	Audits of DC Healthy Families Program Managed Care Organizations	$37,050.00 Per Report
037	Audits of Incurred Claims of Alliance Managed Care Organizations	$37,050.00 Per Report
038	Audits of Alliance Managed Care Organizations	$43,562.50 Per Report
039	Audits of Incurred Claims of Immigrant Children's Plan Managed Care Organizations	$27,265.00 Per Report
040	Audits of Immigrant Children's Plan Managed Care Organizations	$33,300.00 Per Report
041	Audit of Incurred Claims of Dual Eligible Special Needs Program Managed Care Organization	$29,450.00 Per Report
042	Audit of Dual Eligible Special Needs Program Managed Care Organizations	$29,450.00 Per Report
043	Department of Youth and Rehabilitation Services (DYRS)—Full Scope only	$44,650.00 Per Report
044	Special Projects Fees	$188.00 Per Hour

B.5.2 OPTION YEAR 1

B.5.2.1 The Not-to-Exceed Amount of the Contract Option Year One is $1,389,770.97

CLIN	Item Description	Unit Price
101	SSAE-18 SOC 1 Type II Audit	$100,682.50 Per Report
102	Audit of Providers Providing Services under §1115 and §1915(c) Waivers	$20,548.50 Per Report
103	Stevie Sellows Fund Audit	$21,012.00 Per Report
104	Nursing Home Quality of Care Fund Audit	$21,012.00 Per Report

CLIN	Item Description	Unit Price
105	Stand Alone Nursing Facilities - Full Scope	$36,204.50 Per Report
106	Stand Alone Nursing Facilities - Limited Scope	$17,906.55 Per Report
107	Stand Alone Nursing Facilities - Desk Review	$11,252.75 Per Report
108	Hospital Based Nursing Facilities - Full Scope	$32,612.38 Per Report
109	Hospital Based Nursing Facilities - Limited Scope	$17,072.25 Per Report
110	Hospital Based Nursing Facilities - Desk Review	$9,805.60 Per Report
111	ICFIID - Full Scope	$24,266.80 Per Report
112	ICFIID - Limited Scope	$14,604.11 Per Report
113	ICFIID - Desk Review	$6,164.55 Per Report
114	CASSIP - Full Scope	$52,863.46 Per Report
115A	Hospital DSH Procedures	$47,848.65/$7,974.78 Per Hospitals/Procedures
115B	DSH Reporting	$47,848.65 Per Report
116	Specialty Hospitals (Public and Private) - Full Scope	$47,452.10 Per Report
117	Specialty Hospitals (Public and Private) - Limited Scope	$28,278.65 Per Report
118	Specialty Hospitals (Public and Private) - Desk Review	$14,188.25 Per Report
119	D.C. Public Schools - Full Scope Only	$28,082.95 Per Report
120	CFSA Healthy Horizon Clinic - Full Scope Only	$28,865.75 Per Report
121	D.C. Charter Schools - Full Scope	$24,601.55 Per Report
122	D.C. Charter Schools - Limited Scope	$12,519.65 Per Report
123	D.C. Charter Schools - Desk Review	$5,953.40 Per Report
124	OSSE - Full Scope Only	$30,162.26 Per Report
125	D.C. Fire & Emergency Medical Services Full Scope	$33,073.30 Per Report
126	Federally Qualified Health Centers Full Scope	$24,266.80 Per Report
127	Home Health Agencies - Full Scope	$21,581.08 Per Report
128	Home Health Agencies - Limited Scope	$9,630.50 Per Report

CLIN	Item Description	Unit Price
129	Home Health Agencies - Desk Review	$6,478.70 Per Report
130	DRG Hospitals - Full Scope	$46,576.60 Per Report
131	DRG Hospitals - Limited Scope	$24,601.55 Per Report
132	DRG Hospitals - Desk Review	$12,257.00 Per Report
133	Audit of Providers Subject to Provider Taxes—hospitals	$26,615.20 Per Report
134	Audit of Providers Subject to Provider Taxes--nursing homes	$26,908.75 Per Report
135	Audits of Incurred Claims of DC Healthy Families Program Managed Care Organizations	$45,989.50 Per Report
136	Audits of DC Healthy Families Program Managed Care Organizations	$38,161.50 Per Report
137	Audits of Incurred Claims of Alliance Managed Care Organizations	$38,161.50 Per Report
138	Audits of Alliance Managed Care Organizations	$44,869.38 Per Report
139	Audits of Incurred Claims of Immigrant Children's Plan Managed Care Organizations	$28,082.95 Per Report
140	Audits of Immigrant Children's Plan Managed Care Organizations	$34,299.00 Per Report
141	Audit of Incurred Claims of Dual Eligible Special Needs Program Managed Care Organization	$30,333.50 Per Report
142	Audit of Dual Eligible Special Needs Program Managed Care Organizations	$30,333.50 Per Report
143	Department of Youth and Rehabilitation Services (DYRS)—Full Scope only	$45,989.50 Per Report
144	Special Projects Fees	$193.64 Per Hour

B.5.3 OPTION YEAR 2

B.5.3.1 The Not-to-Exceed Amount of the Contract Option Year One is $1,389,770.97

CLIN	Item Description	Unit Price (B)
201	SSAE-18 SOC 1 Type II Audit	$103,702.98 Per Report
202	Audit of Providers Providing Services under §1115 and §1915(c) Waivers	$21,164.96 Per Report
203	Stevie Sellows Fund Audit	$21,642.36 Per Report
204	Nursing Home Quality of Care Fund Audit	$21,642.36 Per Report
205	Stand Alone Nursing Facilities - Full Scope	$37,290.64 Per Report
206	Stand Alone Nursing Facilities - Limited Scope	$18,443.75 Per Report
207	Stand Alone Nursing Facilities - Desk Review	$11,590.33 Per Report
208	Hospital Based Nursing Facilities - Full Scope	$33,590.75 Per Report
209	Hospital Based Nursing Facilities - Limited Scope	$17,584.12 Per Report
210	Hospital Based Nursing Facilities - Desk Review	$10,099.77 Per Report
211	ICFIID - Full Scope	$24,994.80 Per Report
212	ICFIID - Limited Scope	$15,042.24 Per Report
213	ICFIID - Desk Review	$6,349.49 Per Report
214	CASSIP - Full Scope	$54,449.37 Per Report
215A	Hospital DSH Procedures	$49,284.11/$8,214.02 Per Hospitals/Procedures
215B	DSH Reporting	$49,284.11 Per Report
216	Specialty Hospitals (Public and Private) - Full Scope	$48,875.66 Per Report
217	Specialty Hospitals (Public and Private) - Limited Scope	$29,127.01 Per Report
218	Specialty Hospitals (Public and Private) - Desk Review	$14,613.90 Per Report
219	D.C. Public Schools - Full Scope Only	$28,925.44 Per Report
220	CFSA Healthy Horizon Clinic - Full Scope Only	$29,731.72 Per Report

CLIN	Item Description	Unit Price (B)
221	D.C. Charter Schools - Full Scope	$25,339.60 Per Report
222	D.C. Charter Schools - Limited Scope	$12,895.24 Per Report
223	D.C. Charter Schools - Desk Review	$6,132.00 Per Report
224	OSSE - Full Scope Only	$31,067.13 Per Report
225	D.C. Fire & Emergency Medical Services Full Scope	$34,065.50 Per Report
226	Federally Qualified Health Centers Full Scope	$24,994.80 Per Report
227	Home Health Agencies - Full Scope	$22,228.51 Per Report
228	Home Health Agencies - Limited Scope	$9,919.42 Per Report
229	Home Health Agencies - Desk Review	$6,673.06 Per Report
230	DRG Hospitals - Full Scope	$47,973.90 Per Report
231	DRG Hospitals - Limited Scope	$25,339.60 Per Report
232	DRG Hospitals - Desk Review	$12,624.71 Per Report
233	Audit of Providers Subject to Provider Taxes—hospitals	$27,413.66 Per Report
234	Audit of Providers Subject to Provider Taxes--nursing homes	$27,716.01 Per Report
235	Audits of Incurred Claims of DC Healthy Families Program Managed Care Organizations	$47,369.19 Per Report
236	Audits of DC Healthy Families Program Managed Care Organizations	$39,306.35 Per Report
237	Audits of Incurred Claims of Alliance Managed Care Organizations	$39,306.35 Per Report
238	Audits of Alliance Managed Care Organizations	$46,215.46 Per Report
239	Audits of Incurred Claims of Immigrant Children's Plan Managed Care Organizations	$28,925.44 Per Report
240	Audits of Immigrant Children's Plan Managed Care Organizations	$35,327.97 Per Report

CLIN	Item Description	Unit Price (B)
241	Audit of Incurred Claims of Dual Eligible Special Needs Program Managed Care Organization	$31,243.51 Per Report
242	Audit of Dual Eligible Special Needs Program Managed Care Organizations	$31,243.51 Per Report
243	Department of Youth and Rehabilitation Services (DYRS)—Full Scope only	$47,369.19 Per Report
244	Special Projects Fees	$199.45 Per Hour

B.5.4 OPTION YEAR 3

B.5.4.1 The Not-to-Exceed Amount of the Contract Option Year One is $928,439.83

CLIN	Item Description	Unit Price
301	SSAE-18 SOC 1 Type II Audit	$106,814.06 Per Report
302	Audit of Providers Providing Services under §1115 and §1915(c) Waivers	$21,799.90 Per Report
303	Stevie Sellows Fund Audit	$22,291.63 Per Report
304	Nursing Home Quality of Care Fund Audit	$22,291.63 Per Report
305	Stand Alone Nursing Facilities - Full Scope	$38,409.35 Per Report
306	Stand Alone Nursing Facilities - Limited Scope	$18,997.06 Per Report
307	Stand Alone Nursing Facilities - Desk Review	$11,938.04 Per Report
308	Hospital Based Nursing Facilities - Full Scope	$34,598.47 Per Report
309	Hospital Based Nursing Facilities - Limited Scope	$18,111.95 Per Report
310	Hospital Based Nursing Facilities - Desk Review	$10,402.76 Per Report
311	ICFIID - Full Scope	$25,744.65 Per Report
312	ICFIID - Limited Scope	$15,493.50 Per Report
313	ICFIID - Desk Review	$6,539.97 Per Report
314	CASSIP - Full Scope	$56,082.85 Per Report

CLIN	Item Description	Unit Price
315A	Hospital DSH Procedures	$50,762.63/$8,460.44 Per Hospitals/Procedures
315B	DSH Reporting	$50,762.63 Per Report
316	Specialty Hospitals (Public and Private) - Full Scope	$50,341.93 Per Report
317	Specialty Hospitals (Public and Private) - Limited Scope	$30,000.82 Per Report
318	Specialty Hospitals (Public and Private) - Desk Review	$15,052.31 Per Report
319	D.C. Public Schools - Full Scope Only	$29,793.20 Per Report
320	CFSA Healthy Horizon Clinic - Full Scope Only	$30,623.67 Per Report
321	D.C. Charter Schools - Full Scope	$26,099.78 Per Report
322	D.C. Charter Schools - Limited Scope	$13,282.10 Per Report
323	D.C. Charter Schools - Desk Review	$6,315.96 Per Report
324	OSSE - Full Scope Only	$31,999.14 Per Report
325	D.C. Fire & Emergency Medical Services Full Scope	$35,087.46 Per Report
326	Federally Qualified Health Centers Full Scope	$25,744.65 Per Report
327	Home Health Agencies - Full Scope	$22,895.36 Per Report
328	Home Health Agencies - Limited Scope	$10,217.00 Per Report
329	Home Health Agencies - Desk Review	$6,873.25 Per Report
330	DRG Hospitals - Full Scope	$49,413.11 Per Report
331	DRG Hospitals - Limited Scope	$26,099.78 Per Report
332	DRG Hospitals - Desk Review	$13,003.45 Per Report
333	Audit of Providers Subject to Provider Taxes--hospitals	$28,236.07 Per Report
334	Audit of Providers Subject to Provider Taxes--nursing homes	$28,547.49 Per Report
335	Audits of Incurred Claims of DC Healthy Families Program Managed Care Organizations	$48,790.26 Per Report

CLIN	Item Description	Unit Price
336	Audits of DC Healthy Families Program Managed Care Organizations	$40,485.54 Per Report
337	Audits of Incurred Claims of Alliance Managed Care Organizations	$40,485.54 Per Report
338	Audits of Alliance Managed Care Organizations	$47,601.92 Per Report
339	Audits of Incurred Claims of Immigrant Children's Plan Managed Care Organizations	$29,793.20 Per Report
340	Audits of Immigrant Children's Plan Managed Care Organizations	$36,387.81 Per Report
341	Audit of Incurred Claims of Dual Eligible Special Needs Program Managed Care Organization	$32,180.81 Per Report
342	Audit of Dual Eligible Special Needs Program Managed Care Organizations	$32,180.81 Per Report
343	Department of Youth and Rehabilitation Services (DYRS)—Full Scope only	$48,790.26 Per Report
344	Special Projects Fees	$205.43 Per Hour

B.5.5 OPTION YEAR 4

B.5.5.1 The Not-to-Exceed Amount of the Contract Option Year One is $836,201.62

CLIN	Item Description	Unit Price
401	SSAE-18 SOC 1 Type II Audit	$104,517.56 Per Report
402	Audit of Providers Providing Services under §1115 and §1915(c) Waivers	$21,331.21 Per Report
403	Stevie Sellows Fund Audit	$21,812.36 Per Report
404	Nursing Home Quality of Care Fund Audit	$21,812.36 Per Report
405	Stand Alone Nursing Facilities - Full Scope	$37,583.55 Per Report
406	Stand Alone Nursing Facilities - Limited Scope	$18,588.62 Per Report
407	Stand Alone Nursing Facilities - Desk Review	$11,681.37 Per Report

CLIN	Item Description	Unit Price
408	Hospital Based Nursing Facilities - Full Scope	$33,854.60 Per Report
409	Hospital Based Nursing Facilities - Limited Scope	$17,722.54 Per Report
410	Hospital Based Nursing Facilities - Desk Review	$10,179.10 Per Report
411	ICFIID - Full Scope	$25,191.14 Per Report
412	ICFIID - Limited Scope	$15,160.39 Per Report
413	ICFIID - Desk Review	$6,399.36 Per Report
414	CASSIP - Full Scope	$54,877.07 Per Report
415A	Hospital DSH Procedures	$49,671.24/$8,278.54 Per Hospitals/Procedures
415B	DSH Reporting	$49,671.24 Per Report
416	Specialty Hospitals (Public and Private) - Full Scope	$49,259.58 Per Report
417	Specialty Hospitals (Public and Private) - Limited Scope	$29,355.80 Per Report
418	Specialty Hospitals (Public and Private) - Desk Review	$14,728.69 Per Report
419	D.C. Public Schools - Full Scope Only	$29,152.65 Per Report
420	CFSA Healthy Horizon Clinic - Full Scope Only	$29,965.27 Per Report
421	D.C. Charter Schools - Full Scope	$25,538.64 Per Report
422	D.C. Charter Schools - Limited Scope	$12,996.53 Per Report
423	D.C. Charter Schools - Desk Review	$6,180.17 Per Report
424	OSSE - Full Scope Only	$31,311.16 Per Report
425	D.C. Fire & Emergency Medical Services Full Scope	$34,333.08 Per Report
426	Federally Qualified Health Centers Full Scope	$25,191.14 Per Report
427	Home Health Agencies - Full Scope	$22,403.11 Per Report
428	Home Health Agencies - Limited Scope	$9,997.33 Per Report
429	Home Health Agencies - Desk Review	$6,725.48 Per Report
430	DRG Hospitals - Full Scope	$48,350.73 Per Report

CLIN	Item Description	Unit Price
431	DRG Hospitals - Limited Scope	$25,538.64 Per Report
432	DRG Hospitals - Desk Review	$12,723.88 Per Report
433	Audit of Providers Subject to Provider Taxes—hospitals	$27,628.99 Per Report
434	Audit of Providers Subject to Provider Taxes--nursing homes	$27,933.72 Per Report
435	Audits of Incurred Claims of DC Healthy Families Program Managed Care Organizations	$47,741.27 Per Report
436	Audits of DC Healthy Families Program Managed Care Organizations	$39,615.10 Per Report
437	Audits of Incurred Claims of Alliance Managed Care Organizations	$39,615.10 Per Report
438	Audits of Alliance Managed Care Organizations	$46,578.48 Per Report
439	Audits of Incurred Claims of Immigrant Children's Plan Managed Care Organizations	$29,152.65 Per Report
440	Audits of Immigrant Children's Plan Managed Care Organizations	$35,605.47 Per Report
441	Audit of Incurred Claims of Dual Eligible Special Needs Program Managed Care Organization	$31,488.92 Per Report
442	Audit of Dual Eligible Special Needs Program Managed Care Organizations	$31,488.92 Per Report
443	Department of Youth and Rehabilitation Services (DYRS)—Full Scope only	$47,741.27 Per Report
444	Special Projects Fees	$211.60 Per Hour

SECTION C

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 SCOPE

The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of Department of Health Care Finance (DHCF) (the "District") is awarding a contract to provide audit services to assure that payments made to health care services providers participating in the Medicaid Program are in compliance with Federal and District laws and rules, and comply with federal and District audit requirements.

C.2 BACKGROUND

C.2.1 The Medicaid Program was established in accordance with applicable provisions of Title XIX of the Social Security Act to provide medical and other services to medically needy and indigent persons. The public and private providers of health care services who participate in the Medicaid Program ("Providers") are entitled to reimbursement determined for specific health care services rendered to Medicaid recipients in accordance with the prescribed methodologies set forth in the District of Columbia State Plan for Medical Assistance ("State Plan") (Accessible at http://dhcf.dc.gov/page/medicaid-state-plan) under Section 4.19 - General Program Administration, Payment for Services.

C.2.2 The Medicaid Program follows the reimbursement requirements set forth in the State Plan and Title 29 D.C. Municipal Regulations (DCMR). However, if specific guidance is not provided in the State Plan, authoritative guidance is sought in the following sources:

1. Code of Federal Regulations Title 42 (42 CFR)
2. Medicare Benefit Policy Manual Chapter 15
3. Medicare Provider Reimbursement Manual (PRM) Parts I and II
4. Medicare Statutes and Regulations
5. Generally Accepted Accounting Standards
6. Generally Accepted Auditing Standards
7. Government Auditing Standards (Yellow Book)
8. District of Columbia Statutes and Rules Governing the Medicaid Program
9. Centers for Medicare & Medicaid Services (CMS)
10. Estimated Useful Lives of Depreciable Hospital Assets (American Hospital Association)
11. Medical Loss Ratio (MLR) Monitoring, Reporting, and Oversight: A Toolkit for States to Ensure Complete and Accurate MLR Reporting (CMS)
12. Statement on Standards for Attestation Engagements (SSAE) No. 18

C.2.3 Providers are required to submit cost reports for purposes of assessing trends in health care costs and for other purposes as determined by the Medicaid Program. In certain cases cost reports determine or contribute in determining Providers' reimbursement. Audits are necessary to verify costs and other submitted data necessary to establish rates and information used in analyzing and determining rate methodologies and Medicaid Program costs.

C.2.4 The Medicaid Program uses an outside service organization for providing Medicaid Management Information Systems (MMIS) services to process claims and assist in reporting of expenditures to Providers. Due to the magnitude of such services, the District's Annual Comprehensive Financial Report requires that an independent auditor conduct an assessment of the control activities of the service organization providing MMIS services. Statements on Standards for Attestation Engagements (SSAE) 18, System and Organization Controls (SOC) 1 Type 2 audits are examinations of service organizations' internal controls to evaluate their design and effectiveness on financial reporting throughout the district's fiscal year.

C.3 REQUIREMENTS

C.3.1 The Contractor shall provide audit services to ensure cost reports and other submitted data of Providers are accurate and reasonable in accordance with reimbursement requirements and guidance set forth in the State Plan and authoritative sources.

C.3.2 The Contractor shall perform the following general requirements in each audit service:

1. The Contractor shall determine if Providers have implemented and utilized financial, administrative, and internal control procedures to discharge their cost reporting responsibilities under the State Plan and Title 29 D.C. Municipal Regulations (DCMR).

2. The Contractor shall determine through cost sampling, AICPA standard procedures, or other authoritative guidance whether the costs incurred and claimed are allowable under the State Plan and to recommend adjustments based on tests of reliability and allowability.

3. The Contractor shall provide its findings as to whether the Providers' cost reports present a fair basis for reimbursement for services rendered in conformity with the State Plan and Title 29 D.C. Municipal Regulations (DCMR) and whether the Providers' cost reports are prepared on a consistent basis from one period to the next.

4. The Contractor shall determine whether financial operations are in accordance with the State Plan and Title 29 D.C. Municipal Regulations (DCMR) and whether the financial report of the Provider is fairly presented.

5. The Contractor shall verify the accuracy and reasonableness of all such information obtained by examining the records and other supporting evidence, to the extent necessary to prepare an authoritative, objective report.

6. The Contractor shall report and make recommendations concerning the detection and correction of all improper, unallowable, or unusual costs to the District.

7. The Contractor shall audit Providers, as ordered by the District, in accordance with the audit requirements contained in the State Plan and Title 29 D.C. Municipal Regulations (DCMR).

8. The Contractor shall subject the Provider's cost reports to the verification level chosen by the District at the time of an audit request. The three (3) levels of verification are as follows:

    a) Full Scope - an audit that includes all procedures necessary for the Contractor to provide an opinion as to whether the Provider's cost report as a whole presents a fair basis for reimbursement, in accordance with the State Plan. A full scope audit involves examination of detailed support of transactions and specific account balances. Support shall be obtained for the items listed below:

        i. Independent verification of the Provider's licenses.
        ii. Independent verification of the Provider's vendor purchases, contracts, and other claimed costs.
        iii. Independent verification of the Provider's staffing levels and pertinent credentials.
        iv. Independent verification of recipient level of care.
        v. Independent verification of the patient fund account expenditures.

    b) Limited Scope - an audit covering specific areas performed by utilizing procedures agreed upon by the Contractor and the District to provide limited assurance that costs claimed are allowable, reasonable, and in accordance with the State Plan. A limited scope audit involves analytical review and reasonableness testing of transactions and specific account balances as guided by AICPA standards and other authoritative guidance.

    c) Desk Review - an in-house review of submitted cost reports performed by utilizing procedures agreed upon by the Contractor and the District.

9. The Contractor shall design and execute desk review procedures, limited scope procedures, and field audit procedures for full scope verification. The procedures shall be designed for each designated task and shall be consistent with the scope of work.

10. The Contractor shall, as necessary, plan engagements, conduct entrance and exit conferences, perform field work if necessary, submit final audit reports with audit adjustments, review subsequently submitted documentation (including that submitted post-exit conference) and revise audit reports accordingly.

11. The Contractor shall discuss the scope and conduct of the audit with the Provider being audited and notify DHCF of the scheduled entrance and exit interviews with each Provider in order for a DHCF representative to be present. At the exit interview the Contractor shall identify all potential disallowances to the Provider and give a time-frame for the Provider to submit documentation to prevent any potential disallowances or adjustments.

12. The Contractor shall maintain and organize working papers in a manner agreeable to both the District and the Contractor and maintain all data, material and working papers in a location with convenient access to the District.

13. The Contractor shall utilize either Health Financial Systems or KMPG Peat Marwick Compu-Max MICRO Systems software products or the equivalent approved by CMS for processing hospital cost reports.

14. Conflict of Interest
    a) The Contractor shall not have any conflict of interest as defined in the AICPA Code of Professional Conduct.
    b) Providers posing a potential conflict of interest to the Contractor shall be identified and a description given of the circumstance of the potential conflict of interest.
    c) The Contractor shall also inform the District of any audit staff who seeks employment with a Provider while an audit is in progress.
    d) The Contractor shall refer to and act in accordance with the AICPA Code of Professional Code whenever a conflict arises during the term of the Contract.
    e) In addition, the Contractor shall present to the District the steps the Contractor will take to eliminate the conflict.
    f) The District reserves the right to review the Contractor's conflict elimination plan.

15. The Contractor shall meet with Providers and DHCF to resolve post exit issues, to resolve appeals, and to represent DHCF at judicial proceedings.

16. The Contractor shall cooperate and assist in preparation and defense of administrative or civil litigation arising under the Contract that relates to the performance and results of Contractor's performance of auditing and related services including, but not limited to, providing documents and witnesses. The Contractor shall be available beyond the termination of this Contract for the defense of any auditing and related services including, but not limited to, providing documents and witnesses.

17. The Contractor shall complete position papers to support the District's position regarding issues on appeals before the District of Columbia Office of Administrative Hearings, or reimbursement-related lawsuits in the Federal and District Courts, or other administrative tribunals within the time frame established by the Office of Administrative Hearings, court, or tribunal.

18. Administrative reviews are an integral part of the audit process. These reviews are normally filed subsequent to the issuance of the final rate or reimbursement notices and can vary significantly in the level of effort required. Therefore, the Contractor shall be available to assist the District in presenting its position before the Office of Administrative Hearings.

C.3.3 The Contractor shall perform audit services of the following types of private providers:
1. Nursing Facilities
2. Hospitals
3. Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFIID)
4. Child and Adolescent Supplemental Security Income Program (CASSIP)
5. DC Healthy Families Program Managed Care Organizations

6. DC Alliance Managed Care Organizations
7. Immigrant Children's Managed Care Organizations
8. Dual Eligible Special Needs Managed Care Organizations
9. Disproportionate Share Hospitals (DSH) Receiving Distributions
10. Federally Qualified Health Centers
11. Home Health Agencies
12. Providers providing services pursuant to authority under authority of §1115 and §1915(c) of the Social Security Act.

C.3.4 In addition to the general requirements, CASSIP audits shall be annual, full scope audits of the Provider determining expenditures for medical claims paid and differences between claims experience, capitation payments, and compliance with the CASSIP contract. The audit shall also determine the effect of risk corridors on final settlement.

C.3.5 In addition to the general requirements, audits of dual eligible special needs MCO plans shall be annual, full scope audits of the Provider determining expenditures for medical claims paid and differences between claims experience, capitation payments, and compliance with the dual eligible special needs contract. The audit shall also determine the effect of risk corridors on final settlement.

C.3.6(a) In addition to the general requirements, the Contractor shall perform financial audits on incurred claims of all Healthy Families Plan MCOs to confirm that amounts paid to providers for providing Medicaid-covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8(e)(2).

C.3.6(b) In addition to the general requirements and relying on incurred claims information supplied by DHCF the Contractor shall perform financial audits annually on all Healthy Families Plan MCOs to confirm that amounts paid to providers for providing Medicaid-covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8. The District is required to provide periodically for the audit of the accuracy, truthfulness and completeness of each Healthy Families Plan MCO's financial data, including the Medical Loss Ratio. In addition, relying on incurred claims data the Contractor will consider each Healthy Families Plan MCO's health care quality improvement activities, non-claims costs, premium revenue, taxes and licensing and regulatory fees, allocation of expenses and credibility adjustments as set forth in 42 CFR §438.8, determine each Healthy Families Plan MCO's Medical Loss Ratio and calculate each Healthy Families Plan MCO's receivables and liabilities in accordance with the risk share requirements of contracts between each Health Families Plan MCO and DHCF.

C.3.7(a) In addition to the general requirements, the Contractor shall perform annual financial audits on incurred claims of all Alliance MCOs to confirm that amounts paid to providers for providing covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8(e)(2).

C.3.7(b) In addition to the general requirements and relying on incurred claims information supplied by DHCF the Contractor shall perform financial audits annually on all Alliance MCOs to confirm that amounts paid to providers for providing covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8. The District is required to provide

periodically for the audit of the accuracy, truthfulness and completeness of each Alliance MCO's financial data, including the Medical Loss Ratio. In addition, relying on incurred claims data the Contractor will consider each Alliance MCO's health care quality improvement activities, non-claims costs, premium revenue, taxes and licensing and regulatory fees, allocation of expenses and credibility adjustments as set forth in 42 CFR §438.8, determine each Alliance MCO's Medicaid Loss Ratio and calculate each Alliance MCO's receivables and liabilities in accordance with the risk share requirements of contracts between each Alliance Plan MCO and DHCF.

C.3.8(a) In addition to the general requirements, the Contractor shall perform annual financial audits on incurred claims of all Immigrant Children's Plan MCOs to confirm that amounts paid to providers for providing Medicaid-covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8(e)(2).

C.3.8(b) In addition to the general requirements and relying on incurred claims information supplied by DHCF the Contractor shall perform financial audits annually on all Immigrant Children's Plan MCOs to confirm that amounts paid to providers for providing Medicaid-covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8. The District is required to provide periodically for the audit of the accuracy, truthfulness and completeness of each Immigrant Children's Plan MCO's financial data, including the Medical Loss Ratio. In addition, relying on incurred claims data the Contractor will consider each Immigrant Children's Plan MCO's health care quality improvement activities, non-claims costs, premium revenue, taxes and licensing and regulatory fees, allocation of expenses and credibility adjustments as set forth in 42 CFR §438.8, determine each Immigrant Children's Plan MCO's Medicaid Loss Ratio and calculate each Immigrant Children's Plan MCO's receivables and liabilities in accordance with the risk share requirements of contracts between each Immigrant Children's Plan MCO and DHCF.

C.3.9(a) In addition to the general requirements, the Contractor shall perform annual financial audits on incurred claims of all Dual Eligible Special Needs Plan MCOs to confirm that amounts paid to providers for providing covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8(e)(2).

C.3.9(b) In addition to the general requirements and relying on incurred claims information supplied by DHCF the Contractor shall perform financial audits annually on all Dual Eligible Special Needs Plan MCOs to confirm that amounts paid to providers for providing covered services to enrollees are in compliance with standards set forth in 42 CFR §438.8. The District is required to provide periodically for the audit of the accuracy, truthfulness and completeness of each Dual Eligible Special Needs Plan MCO's financial data, including the Medical Loss Ratio if included in the Dual Eligible Special Needs Plan MCO's contract. In addition, relying on incurred claims data the Contractor will consider each Dual Eligible Special Needs Plan MCO's health care quality improvement activities, non-claims costs, premium revenue, taxes and licensing and regulatory fees, allocation of expenses and credibility adjustments as set forth in 42 CFR §438.8, determine each Dual Eligible Special Needs Plan MCO's Medical Loss Ratio if included in the Dual Eligible Special Needs Plan MCO's contract and calculate each Dual Eligible Special Needs Plan MCO's receivables and liabilities in accordance with the risk share requirements of contracts between each Dual Eligible Special Needs Plan MCO and DHCF.

C.3.10 In addition to the general requirements, DSH audits shall be in compliance with the CMS final rule and any subsequent changes regarding audits of the program's annual DSH payments. The Contractor shall review DHCF data used to calculate allotments, obtain and test hospitals' data to determine DSH limits, test DHCF compliance with required verification procedures, perform selective claims testing, prepare for DHCF submission to CMS a report of the audit and provide and maintain for future reference all other required documentation in accordance with CMS format, requirements and filing deadlines. The Contractor shall also recalculate amounts that individual hospitals are entitled to and assist DHCF in redistribution of preliminarily distributed payments.

C.3.11 In addition to the general requirements, for all providers listed in C.3.3 audits shall reconcile payments with costs and compute settlement amounts.

C.3.12 The Contractor shall perform audit services of the following types of public providers:

1. D. C. Public Schools (DCPS)
2. Child and Family Services Agency's (CFSA) Healthy Horizon Clinic
3. Department of Youth and Rehabilitation Services (DYRS)
4. D.C. Charter Schools
5. St. Elizabeths Hospital
6. D.C. Fire & Emergency Medical Services (FEMS)
7. Office of the State Superintendent of Education (OSSE)

C.3.13 SSAE-18 SOC 1 Type 2 Audits:

1. The Contractor shall annually perform a Standards for Attestation Engagements 18 Systems and Organization Controls 1 Type 2 audit of the Medicaid Program and District's fiscal agent on the design of policies and procedures placed in operation, as well as the operating effectiveness of such policies and procedures. In addition to the applicable general audit requirements, the Contractor shall plan the engagement, meet with DHCF and contract personnel on site in order to understand and document systems, controls, program changes, file protection and security of user records, and test systems, conduct entrance and exit interviews, and timely issue the SSAE 18 SOC 1 Type 2 audit report. The work to be performed shall include procedures performed on all related vendors of sufficient materiality to warrant consideration in determining the auditor's opinion.

2. The SSAE-18 SOC 1 Type 2 audit shall be performed annually in line with the District's fiscal year cycle from October 1 to September 30.

C.3.14 The Contractor shall perform audit services of the Stevie Sellows Fund. The Stevie Sellows Fund Audit is an internal audit of the assessments, collections and disbursements of funds pursuant to D.C. Official Code § 47-1273, which imposes a provider tax on all intermediate care facilities for individuals with intellectual disabilities (ICF/IID) operating in the District of Columbia.

C.3.15 The Contractor shall perform audit services of the Nursing Home Quality of Care Fund. The Nursing Home Quality of Care Fund Audit is an internal audit of the assessments, collections and disbursements of funds pursuant to D.C. Official Code §§ 47-1261-1269, which imposes a provider tax on all nursing facilities operating in the District of Columbia.

C.3.16 The Contractor shall perform audits of the financial and other data required for computation of the provider tax for hospitals.

C.3.17 The Contractor shall perform audits of the financial and other data required for computation of the provider tax for nursing homes.

C.3.18 Notwithstanding the foregoing, at the option of both DHCF and the Contractor the two may agree on procedures to be applied to providers as an entity with hours agreed upon depending on the nature and complexity of the provider, such procedures to be designed to apply to all types of services and cost accumulating areas of the entity under consideration.

C.3.19 Deadlines

1. The Contractor shall complete audits and services and deliver reports on or before the required dates indicated, following issuance of a task order, unless additional time is specified in the task order:

    a. SSAE-18 SOC 1 Type 2 examinations before January 1 following the fiscal year under audit.
    b. Hospital audits within five (5) months.
    c. ICFIID audits within three (3) months.
    d. Nursing Facilities (Stand Alone and Hospital Based) audits within three (3) months.
    e. CASSIP audits within four (4) months. Due dates for all other audits and services will be determined by the District and will be specified in the task order's scope of work.
    f. Healthy Families Plan MCO audits within five (5) months. Due dates for all other audits and services will be determined by the District and will be specified in the task order's scope of work.
    g. Alliance MCO audits within five (5) months. Due dates for all other audits and services will be determined by the District and will be specified in the task order's scope of work.
    h. Immigrant Children plan MCO audits within five (5) months. Due dates for all other audits and services will be determined by the District and will be specified in the task order's scope of work.
    i. Dual Eligible Special Needs MCO audit within five (5) months. Due dates for all other audits and services will be determined by the District and will be specified in the task order's scope of work.
    j. DSH audits, reporting, and redistribution calculation within five (5) months.
    k. DCPS audits within five (5) months.
    l. CFSA Healthy Horizon Clinic audits within five (5) months.
    m. DYRS audits within five (5) months.
    n. OSSE audits within five (5) months.
    o. D.C. Chartered Schools within five (5) months
    p. D.C. Fire and Emergency Medical Services within five (5) months
    q. Federally Qualified Health Centers within five (5) months.
    r. Home Health Agencies within five (5) months.

2. The Contractor shall provide written progress reports of ongoing audits and services, in a form acceptable to the District, every month.

3. The Contractor shall provide a periodic statement of account for each audit assigned and performed, reflecting the total fee for the audit, the amount billed, the amount received, any contingency amount, and the outstanding balance.

4. If the number of cost reports and/or Providers increases significantly during the term of the Contract, the District may revise the required timeframes accordingly through a bilateral contract modification with the Contractor.

5. The Contractor shall not be held to the Deadlines in the event of a MMIS system failure or other circumstances covered under the Force Majeure provision of the Contract.

C.3.20 Equitable Adjustments

1. The following Impact Circumstances may potentially affect singularly or collectively the scope of work and cost of an audit service.
    a. Revision in cost data provided subsequent to the verification by the Providers.
    b. Sale of facilities, thereby necessitating interim period verification as of the date of sale.
    c. Providers who terminate participation in the Medicaid Program during the year.
    d. Providers who change their fiscal year, thereby necessitating a special verification of a short period cost report.
2. The Contractor may request, for the District's consideration, an upward equitable adjustment to a task order based on the justification of an Impact Circumstance that increases the scope of work and costs.

3. The District may modify a task order for a downward equitable adjustment based on the justification of an Impact Circumstance that decreases the scope of work and costs.

4. Any Contractor request for an upward equitable adjustment to a task order not based on the justification of an Impact Circumstance will be denied by the District, unless reasonably justified.

C.3.21 Business Associate Agreement

1. The Contractor shall agree to acceptance of and compliance with the Attachment J.3, District of Columbia Business Associate Agreement.

SECTION D

PACKAGING AND MARKING

D.1 PACKAGING

All reports and deliverables that are in "hard copy" and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor's best practices.

D.2 MARKING

D.2.1 Unless otherwise specified herein, all reports and deliverables delivered under this contract must be plainly marked, stating the Contractor's name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient's office telephone number as noted in the contract.

D.2.2 In case of carload lots, the Contractor shall tag the car, stating Contractor's name and contract number. Any failure to comply with these instructions will place the material at the Contractor's risk.

D.2.3 Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the contract at the delivery point.

SECTION E

INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

E.1 INSPECTION

E.1.1 All supplies and services provided by the Contractor under this contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1 (b).

E.1.2 Inspection of Supplies

(a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.

(b) The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to cure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor' s risk and expense.

(c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this contract.

(d) The District has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the contract.

(e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the District will bear the expense of District inspections or tests made at other than Contractor' s or subcontractor' s premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.

(1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.
(2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest.

(f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.

(h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

(i) If this contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract, and (ii) when the supplies will be ready for District inspection.

(j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor' s plant, nor more than 7 business days in other instances.

(k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.

(l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.

(m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor' s plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of

notice of defects or noncompliance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor' s plant and return to the original point when that point is not the Contractor' s plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the District will have the right to return the rejected materials at Contractor' s risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

E.1.3 Inspection of Services

(a) Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the District during contract performance and for as long afterwards as the contract requires.

(c) The District has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The District will perform inspections and tests in a manner that will not unduly delay the work.

(d) If the District performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.

(e) If any of the services do not conform to the contract requirements, the District may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the District may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or (2) terminate the contract for default.

E.2 ACCEPTANCE

Acceptance of all products and services provided under this contract shall be performed by the COTR. Acceptance means approval by the COTR of specific services as partial or complete performance of the contract.

E.3 WARRANTY OF SERVICES

E.3.1 The time period for this warranty provision is the life of the contract plus all active options and extensions.

E.3.2 Warranty Provision:

(a) Notwithstanding inspection and acceptance by the District or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor within 30 days from the date of discovery. This notice shall state either:

(1) That the Contractor shall correct or re-perform any defective or nonconforming services; or

(2) That the District does not require correction or reperformance.

(b) If the Contractor is required to correct or reperform, it shall be at no cost to the District, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Contracting Officer may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the District thereby, or make an equitable adjustment in the contract price.

(c) If the District does not require correction or reperformance, the Contracting Officer shall make an equitable adjustment in the contract price.

SECTION F

PERIOD OF PERFORMANCE AND DELIVERABLES

F.1 TERM OF CONTRACT

The term of the contract shall be for a period of one year from the Contract Effective Date.

F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.2.1 The District may extend the term of this contract for a period of four (4), one (1) year option periods, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option.

F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.2.3 The price for the option period shall be as specified in Section B of the contract.

F.3 DELIVERABLES

F.3.1 The Contractor shall perform the activities required to successfully complete the District's requirements and submit each deliverable to the COTR identified in Section G in accordance with Section C.

F.3.2 The Contractor shall submit to the District, as a deliverable, the report described in Section I.31 that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor does not submit the report as part of the deliverables, final payment to the Contractor shall not be paid pursuant to Section G.6.

SECTION G

CONTRACT ADMINISTRATION

G.1 CONTRACT ADMINISTRATORS

(a) Contracting Officer

i. The Contracting Officer (or "CO") for this contract is:

Drakus Wiggins
Contracting Officer
Office of the Chief Financial Officer
1100 4th St. SW Suite E620
Washington, DC 20024
Telephone: (202) 442-7121
Fax: 202-442-6454
E-mail address: drakus.wiggins@dc.gov

ii. The Contracting Officer is the only official authorized to legally bind the District and make changes to the requirements, terms and conditions of this contract. Only the Contracting Officer can increase, decrease, extend or terminate this contract. All other changes are unauthorized.

iii. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.

iv. In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

(b) Contracting Officer Technical Representative (COTR)

i. The COTR for this contract is:

Frederick Hoeflinger
Reimbursement Supervisor
Department of Health Care Finance (DHCF)
441 4th St. N.W., Suite 960-N Washington, DC 20001
(202) 442-9071
Frederick.Hoeflinger@dc.gov

ii. The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor's compliance or noncompliance with the contract. The COTR has the responsibility of ensuring the work conforms to the

requirements of the contract and such other responsibilities and authorities as may be specified in the contract. These include:

a. Keeping the Contracting Officer fully informed of any technical or contractual difficulties encountered during the performance period and advising the Contracting Officer of any potential problem areas under the contract;

b. Coordinating site entry for Contractor personnel, if applicable;

c. Reviewing invoices for completed work and approving invoices if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;

d. Reviewing and approving invoices for deliverables to ensure receipt of goods and services.

e. Timely processing of invoices and vouchers in accordance with the District's payment provisions; and

f. Maintaining a file that includes all contract correspondence, modifications, records of inspections and invoice or vouchers.

iii. The COTR does NOT have the authority to:

a. Award, agree to, or sign any contract, delivery order or task order. Only the Contracting Officer shall make contractual agreements, commitments or modifications;
b. Grant deviations from or waive any of the terms and conditions of the contract;
c. Increase the dollar limit of the contract or authorize work beyond the dollar limit of the contract,
d. Authorize the expenditure of funds by the Contractor;
e. Change the period of performance; or
f. Authorize the use of District property, except as specified under the contract.

iv. The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

G.2 INVOICE PAYMENT

G.2.1 The District will make payments to the Contractor, upon the submission of proper invoices, at the prices stipulated in this contract, for supplies delivered and accepted or services performed and accepted, less any discounts, allowances or adjustments provided for in this contract.

G.2.2 The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor. The District reserves the right to conduct post payment reviews or audits.

G.2.3 Unless otherwise specified in this contract, and with presentation of a properly executed invoice:

a) Payment will be made on completion and acceptance of each item for which the price is stated in the Pricing Schedule in Section B,
b) Payment will be made on completion and acceptance of each percentage or milestone of work in accordance with the prices stated in the Pricing Schedule in Section B, or
c) Payment may be made on partial deliveries of goods and services accepted by the District if the Contractor requests it and the amount due on the deliveries warrants it as determined by the District.

G.3 INVOICE SUBMITTAL

G.3.1 The Contractor shall create and submit payment requests in an electronic format through the DC Vendor Portal, https://vendorportal.dc.gov

G.3.2 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in Section G.4.

G.3.3 To constitute a proper invoice, the Contractor shall enter all required information into the Portal after selecting the applicable purchase order number which is listed on the Contractor's profile.

G.4 THE QUICK PAYMENT ACT

G.4.1 Interest Penalties to Contractors

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code § 2-221.01 *et seq*., as amended, for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the required payment date. The required payment date shall be:

G.4.1.1.1 The date on which payment is due under the terms of this contract;

G.4.1.1.2 Not later than 7 calendar days, excluding legal holidays, after the date of delivery of meat or meat food products;

G.4.1.1.3 Not later than 10 calendar days, excluding legal holidays, after the date of delivery of a perishable agricultural commodity; or

G.4.1.1.4 30 calendar days, excluding legal holidays, after receipt of a proper invoice for the amount of the payment due.

G.4.1.2 No interest penalty shall be due to the Contractor if payment for the completed delivery of goods or services is made on or before:

G.4.1.2.1 3rd day after the required payment date for meat or a meat product;

G.4.1.2.2 5th day after the required payment date for an agricultural commodity; or

G.4.1.2.3 15th day after any other required payment date.

G.4.1.3 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

G.4.2 Payments to Subcontractors

G.4.2.1 The Contractor shall take one of the following actions within seven (7) days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under the contract:

G.4.2.1.1 Pay the subcontractor(s) for the proportionate share of the total payment received from the District that is attributable to the subcontractor(s) for work performed under the contract; or

G.4.2.1.2 Notify the CO and the subcontractor(s), in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay subcontractors or suppliers interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid on the following if payment for the completed delivery of the item of property or service is made on or before the:

G.4.2.2.1 3rd day after the required payment date for meat or a meat product;

G.4.2.2.2 5th day after the required payment date for an agricultural commodity; or

G.4.2.2.3 15th day after any other required payment date.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District is a party. The District may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G.4.3 Subcontract requirements

G.4.3.1 The Contractor shall include in each subcontract under this contract a provision requiring the subcontractor to include in its contract with any lower-tier subcontractor or supplier the payment and interest clauses required under paragraphs (1) and (2) of D.C. Official Code § 2-221.02(d).

G.4.3.2 The Contractor shall include in each subcontract under this contract a provision that obligates the Contractor, at the election of the subcontractor, to participate in negotiation or mediation as an alternative to administrative or judicial resolution of a dispute between them.

G.5 ASSIGNMENT OF CONTRACT PAYMENTS

G. 5.1 The Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.

G.5.2 Any assignment shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party.

G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

"Pursuant to the instrument of assignment dated _____, make payment of this invoice to (name and address of assignee)."

G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT

G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.

G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer's final determination or approval of waiver of the Contractor's compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.

G.7 ORDERING CLAUSE

G.7.1 Any supplies and services to be furnished under this contract must be ordered by issuance of delivery orders, task orders, or purchase orders by the CO. Such orders may be issued during the term of this contract.

G.7.2 All orders are subject to the terms and conditions of this contract. In the event of a conflict between an order and this contract, the contract shall control.

G.7.3 If mailed, an order is considered "issued" when the District deposits the order in the mail. Orders may be issued by facsimile or by electronic commerce methods.