

EXHIBIT A – SCOPE OF WORK

I. Performance Measures

Strategic Goal: Improve Health Outcomes and Family Support for New Mexicans

Measure: Percent of current support owed that is collected.

Current Support Percentage: Target = 70%

A. Goals.

The following goals and strategies from the Human Services Department Strategic Plan are supported by this contract:

Goal 1: Insure New Mexico!

Task 1.1: Provide small employers more options for affordable health insurance

A. Continue the marketing campaign for new *Insure New Mexico!* options (SEIP, premium assistance program) to engage New Mexico employers and eligible individuals.

B. Continue to increase Child Support Enforcement field office outreach to small employers regarding their rights and responsibilities in providing coverage for dependents of employees and how to work within the guidelines governing New Mexico's use of the National Medical Support Notice

Task 1.2: Provide New Mexicans more opportunities for health insurance.

A. Continue to increase medical support orders to increase the number of children receiving insurance through non-custodial parents' employer sponsored insurance.

B. Objectives. To assist the agency in continuing to collect information on New Hires in the State of New Mexico.

C. Activities. The services the Contractor is expected to perform are listed in the deliverables.

II. Scope of Work

The following sections describe the required tasks and subtasks to be performed by the Contractor for each Deliverable under the terms of this Agreement. The Contractor must perform each task and/or subtask, but is not limited to performing only the identified task or subtasks in a given project area. The Parties hereby agree that the Deliverables are the controlling items and that the Contractor's obligation is to perform and deliver the Deliverable as described in the following Sections.

A. Deliverable Number 1 Employer Outreach

<u>Deliverable One</u>	<u>Due Date</u>	<u>Compensation</u>
Employer Outreach	7/01/09-6/30/13	See Exhibit A.III.

Task Item	Sub Tasks	Description
Employer Requirements <u>-Business Requirements</u>	a.1.A	The Offeror shall establish and maintain a state Directory of New Hires. The office shall be staffed with proposed Key Management Staff, and be equipped for customers contacting the office, document and data processing, technology updates, physical security, operational security, and logical security. This office shall be subject to full inspection by state officials during state business hours. The Offeror will work cooperatively with the outgoing Offeror to transition data and services in a seamless manner.
	a.1B	The Offeror shall develop an ongoing employer outreach program approved by the Department to inform employers conducting business within the state of the mandated New Hires and National Medical Support Notice Reporting Requirements. The Offeror shall provide extensive outreach to inform employers of the NMSN reporting requirements in full compliance with the requirements of this RFP. The ongoing employer outreach program must include outreach to increase overall compliance by industry and demographics. Outreach must specifically include encouragement for employers to report optional data elements, especially medical insurance availability. Outreach services shall include: (continued in following rows)
	a.1B 1) through 15)	1) Monthly Proactive Compliance Mailings;
	a.1B 2)	2) Quarterly Wage Compliance Mailings;
	a.1B 3)	3) Annual mailings to selected New Mexico employers who have not reported in the prior six months reminding them of the statutory requirement and informing them of the reporting options;
	a.1B 4)	4) Targeted Industry Code Mailings;
	a.1B 5)	5) Multi-State Employer Mailings;
	a.1B 6	6) Targeted Contact with Employers Reporting Manually via personal phone calls to employers. Employers will be walked-through registering to use the Web site. Any technical questions they may have will be answered;

a.1B 7)		<p>7) Employer/employer event on-site visits.</p> <p>A. The Employer Outreach Manager will make 12 trips annually throughout New Mexico to promote the program with employers.</p> <p>B. These visits will include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> i. February Outreach Presentations to Farm Labor Contractors ii. Visit to Jobs Security Employer Connections iii. Other Visits, as needed, such as American Payroll Association
a.1B 8)		<p>8) Production and distribution of New Hire and NMSN brochures, and distribution of Insure New Mexico brochures supplied by the state in the same venues and mailings;</p>
a.1B 9)		<p>9) New Employer Outreach: The Offeror will supply the New Mexico Workforce Solutions Department a sufficient number of Directory of New Hires and National Medical Support Notice brochures monthly;</p>
a.1B 10)		<p>10) Notification of Changes: The Offeror will be responsible for updating all employers on any changes in the reporting procedures or if the law or options available are changed within one month of the change;</p>
a.1B 11)		<p>11) Notifying Employers for Improvements: The Offeror will be responsible for identifying individual employers whose reporting can be improved in specific ways and notifying them of the requested remedial action;</p>
a.1B 12)		<p>12) Compliance Analysis and Outreach: The Offeror shall conduct quarterly matches of Quarterly Wage files with New Hires data to identify non-compliant employers, analyze the results, and utilize this analysis to target specific employers and industry groups (using industry codes) for outreach;</p>
a.1B 13)		<p>13) Non-Compliance Notices: In concert with the department Contract Administrator and legal counsel, the Offeror shall develop and mail by certified mail notices advising employers of intent to assess penalties for non-compliance and the actual assessment notices. These notices shall be sequenced so that employers are given ample opportunity to come into compliance before punitive action is taken by the Department. Notices will be sent upon final approval by the Department Contract Administrator;</p>
a.1B 14)		<p>14) Department Approval: The Offeror shall ensure that all form letters, brochures, pamphlets, notices, web site displays, and press releases created by the Offeror are reviewed and approved by the Department Public Information Officer and the Department Contract Administrator before release.</p>

	a.1B 15)	15) Mailings: The Offeror is responsible for all costs of production and mailing, including, but not limited to, annual outreach packets, New Mexico Directory of New Hires brochures, National Medical Support Notice brochures, and compliance mailings.
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B. Deliverable Number 2 Transaction Activities

<u>Deliverable Two</u>		<u>Due Date</u>	<u>Compensation</u>
Transaction Activities		7/01/09-6/30/13	See Exhibit A.III.
Task Item	Sub Tasks	Description	
Transaction Activities – Business Requirements	a.2.A	The Offeror shall ensure that employer report data is updated in the New Mexico Directory of New Hires database within three (3) business days of receipt of the information from the employer. The Offeror shall supply proof of compliance with this requirement to the Department.	
	a.2.A	The Offeror shall enter the information into a secure web application within three (3) business days of receipt of the information from the employer. The Offeror shall supply proof of compliance with this requirement to the Department. The site will be built to NIST-800-44 Guidelines on Securing Public Web Servers,	
	a.2.B	The Offeror shall identify, count, and reject all duplicate reports. The duplicates shall be reported to the Department in a monthly report.	
	a.2.C	The Offeror shall identify, count, and reject all duplicate reports. The duplicates shall be reported to the Department in a monthly report.	
	a.2.D	The Offeror shall contact employers within two (2) working days of receipt of faulty reports to correct incomplete, illegible, or erroneous information.	
	a.2.E 1) and 2)	To ensure tracking of the three-day entry requirement, the Offeror shall record the date the report was received and the date entered into the Directory developed by the Offeror. The following information shall be entered when it is supplied by the employer: 1) Mandatory: Employee's name, employee's address, employee's social security number, employer's name, employer's address, employer's Federal Employer Identification number (FEIN). 2) Optional: Payroll processing address, employee's date of hire, employee's date of birth, employee's state of hire, medical insurance availability, employee's salary, employer contact data. When employers send optional data, the offeror must enter this data.	
	a.2.F	The Offeror shall document the process used for maintaining the most current, complete, and accurate employer information in the Directory of New Hires.	

	a.2.G 1) through 2)	<ul style="list-style-type: none"> ◆ The offeror shall treat all information reported as private and confidential and shall not be used for any other purpose than New Hires Reporting. The Offeror shall not make such data available to any other person or company in its entirety or any part for any purpose whatsoever except as provided under this Agreement. The Offeror shall not develop, use, or maintain a data list of employers or individuals obtained in performance of this Agreement and shall not distribute any information received or developed except as provided under this Agreement. ◆ ◆ The Offeror shall provide for the appropriate confidential handling and processing of the reports and the magnetic media created under this Agreement. Such safeguards will include: <ul style="list-style-type: none"> ◆ ◆ 1) Advising all individuals engaged in the performance of the contract of the confidentiality of the information and the prohibition from copying, transcribing, or releasing data to any non-authorized individual or organization in any manner, and ◆ ◆ 2) Requiring the attached confidentiality statement, Exhibit B, to be signed by all employees with access or potential access to material developed hereunder. Signed confidentiality statements shall be delivered to the Contract Administrator upon contract execution.
Transaction Activities – Technical Requirements	b.1.A	The Offeror must be able to receive new hires reports from employers in all of the following formats: telephone, FAX, voice mail, postal and express mail, CD, web site. The Offeror must inform employers of all reporting mode options available.
	b.1.B	The offeror will provide the employers the option of reporting by a W-4 form or, at the employer's option, an equivalent form already in use by the Department. The Offeror must inform employers that the W-4 is sufficient, but that the Directory will supply them optional forms. The optional form shall identify which data elements are optional. The Offeror may recommend to the Department Contract Administrator the inclusion of additional optional data elements based on the Offeror's experience and the needs of the program.
	b.1.C	The Offeror shall identify, count, and reject all duplicate reports. The duplicates shall be reported to the Department in a monthly report.

	b.1.D	The Offeror shall implement measures to guard against damage caused by computer virus, physical damage or corruption of data, theft, or destruction of data files. The Offeror will insure that all files it stores and transmits to other entities are not corrupted or virus infected.
	b.1.E	The Offeror shall keep all source documents data entered for a minimum of ninety (90) days, unless instructed otherwise by the Department Contract Administrator.
	b.1.F	The Offeror shall destroy the source documents after ninety (90) days in a manner consistent with state policy and federal regulations for destruction of private or confidential data. This may include shredding or burning. The Offeror shall also provide to the Department Contract Administrator certification that describes the number of files, batch numbers (if appropriate), time period covered, and a statement indicating all copies of employer records have been destroyed and the automated record deleted.

C. Deliverable Number 3 Customer and Technical Support

<u>Deliverable Three</u>		<u>Due Date</u>	<u>Compensation</u>
Customer and Technical Support		7/01/09-6/30/13	See Exhibit A.III.
Task Item	Sub Tasks	Description	
Customer and Technical Support – Business Requirements	a.3.A	The Offeror shall be responsible for all costs associated with shipping or mailing magnetic media and shall exchange media with employers in ways that minimize costs for employers to comply. The Offeror may not charge employers for any costs related to New Hires Reporting.	
	a.3.B	The Offeror shall maintain a post office address in the name of "New Mexico Directory of New Hires" and shall retrieve mail on a daily basis. The Offeror is responsible for promptly forwarding any mail to the Department which is not strictly New Hires related. The Offeror shall respond to written queries to the New Mexico Directory of New Hires which require a written response within one (1) business day of receipt.	

	a.3.C	The Offeror shall provide a toll-free never busy FAX service so that employers can FAX new hires reports any time without waiting for FAX line availability. FAX reports shall be retrieved at least twice every business day. In the absence of telephone service provider's never busy, FAX capacity, the Offeror shall provide an equivalent functionality.
	a.3.D	The Offeror shall provide management assistance and fully cooperate with other parties on the turnover of this contract to the successor entity.
Customer and Technical Support – Technical Requirements	b.2.A	The Offeror shall provide technical assistance to employers on the methodology, format, and data elements for reporting to improve the speed, quality, and accuracy of data submitted. The Offeror shall provide constructive feedback to employers as needed.
	b.2.B	The Offeror shall install and staff at least two (2) toll-free telephone lines. The lines shall be fully staffed Monday through Friday between the hours of 8:00 AM and 5:00 PM Mountain Time on all New Mexico state work days for the purpose of responding to public, employer, and CSED staff questions about new hires reporting. These lines shall have a 24-hour voice mail capability. During business hours, there must be at least one Offeror staff member fluent in conversational Spanish available to handle calls placed by Spanish speakers.
	b.2.C	To augment live operator service, the Offeror shall install an interactive voice response system (IVR), which will be available 24 hours a day, with the following exceptions: the system may be unavailable for up to one (1) hour per day during non-business hours for downloading data, and up to two (2) hours per month during non-business hours for scheduled maintenance. All calls to the toll-free lines shall roll to the IVR if an operator is not available to take the call. The IVR shall have menu selections in English and Spanish which include general information on new hires reporting (subject to HSD Public Information Officer approval), information for callers who need to access the KIDS line or Child Support Customer Service toll-free numbers, employer-specific new hires information, voice mail, and scripted prompts for reporting new hires. The Offeror shall retrieve messages from the IVR every business day at least once every three (3) hours, beginning at 8:00 AM and respond to the caller, when necessary, within one business day of retrieval.

	b.2.D	The Offeror shall establish a bi-lingual Internet site and provide employers an easy, reliable, and secure method of reporting in this manner. The site will be built to NIST-800-44 Guidelines on Securing Public Web Servers. The presentation of the New Mexico Directory of New Hires Internet site shall be subject to Department Contract Administrator approval. The Offeror will work with the CSED's Web Page Developer to insure the Directory of New Hires' web page may be accessed from the CSED and Insure New Mexico web sites. The Offeror will update the web site with new information or notices related to the Human Services Department monthly and on the request of the Department. The NMSN brochure must be posted on the Directory of New Hires web site.
	b.2.F 1) through 2)	Data shall be maintained in a password secure and physically secure environment. The site will be built to NIST-800-44 Guidelines on Securing Public Web Servers. Such safeguards will include: 1) By using appropriate logins, restricting access to the reports and any records created in keying data to individuals who have a legitimate need for access in order to perform keying duties. The site will be built to NIST-800-44 Guidelines on Securing Public Web Servers. 2) Maintaining the reports and magnetic media in a controlled area with limited access only by authorized personnel both during work and non-work hours.

D. Deliverable Number 4 Producing and Transmitting Files to Public Agencies

<u>Deliverable Four</u>		<u>Due Date</u>	<u>Compensation</u>
Producing and Transmitting Files to Public Agencies		7/01/09-6/30/13	See Exhibit A.III.
Task Item	Sub Tasks	Description	
Producing and Transmitting Files to Public Agencies – Business Requirements	a.4.	The Offeror shall fully cooperate with state and federally designated technical staff to develop and maintain all designated interfaces as outlined in Requirement b.3A. The Offeror may be required by the Department Contract Administrator to develop and propose file formats and modes of transmission.	

Transmitting Files to Public Agencies – Technical Requirements	b.3.A 1) through 6)	<p>The Offeror shall provide data to the following public agencies listed below. All FTP Interface System transmission will comply with HSD-ITD FTP standards.</p> <p>1) The IV-D Agency (Employer Data). The Offeror will produce and transmit a file of employer data in media or transmission protocol, format, quantity, and frequency directed by the Department Contract Administrator for use by the IV-D Agency.</p> <p>2) The IV-D System (New Hires Data). The Offeror will provide a file of new hires data in media or transmission protocol, format, quantity, and frequency directed by the Department Contract Administrator to the IV-D Agency.</p> <p>3) The IV-A Agency. The Offeror will provide a file of new hires data to the IV-A system in media or transmission protocol, format, quantity, and frequency directed by the Department Contract Administrator.</p> <p>4) The National Directory of New Hires. The Offeror will provide a file of new hires data to the National Directory in media or transmission protocol, format, quantity, and frequency directed by the Department Contract Administrator. Thereafter, the frequency of the transmission to the National Directory shall be no less than within three (3) business days after data entry.</p> <p>5) The New Mexico Department of Workforce Solutions (NMDWS). The Offeror will provide a file of new hires data to the NMDNH in media or transmission protocol, format, quantity, and frequency directed by the Department Contract Administrator.</p> <p>6) Other Public Agencies: Other public agencies may be identified by the Department Contract Administrator as requiring a copy of the directory's new hires data. In such instances, the Offeror may be required to prepare copies in a file format already developed to send to the additional agencies.</p>
	b.3.B	<p>The Offeror will provide access for the designated CSED staff to access the New Mexico Directory of New Hires to research specific individuals in child support enforcement cases. In making available this access, the Offeror will safeguard against abuse, misuse, or breach of confidentiality of information contained in the Directory of New Hires. The information available for viewing shall include the medical insurance availability indicator that the employer reported for an individual.</p>

E. Deliverable Number 5 Project Reporting and Turnover Planning

<u>Deliverable Five</u>	<u>Due Date</u>	<u>Compensation</u>
Project Reporting and Turnover Planning	7/01/09-6/30/13	See Exhibit A.III.

Task Item	Sub Tasks	Description
Project Reporting and Turnover Planning – Business Requirements	a.5.A 1) through 11)	<p>The Offeror shall provide a Monthly Summary Report to the Department Contract Administrator, to a mailing list specified by the Department Contract Administrator. The report shall be delivered in a Microsoft 2003 compatible document format, sent via email. The report shall, at a minimum contain monthly and year-to-date figures of the:</p> <ol style="list-style-type: none"> 1) Total number of new hires reports received by type. 2) Total number of non-duplicator, complete new hires records entered. This is the transaction number used in calculating Offeror payment. 3) Total number of phone calls and source of calls. 4) Total number of employer notices and brochures mailed by type. 5) Number of employer reports requiring corrective action by type. 6) Number of mail inquiries by source. 7) Number of new employers added to the employer database. 8) Number of new employers mailed an informational packet. 9) Number of multi-state employers reporting to New Mexico and the number reporting to other states. 10) Number of employers referred to the Department for non-compliance. 11) Interactive Voice Response (IVR) system volume statistics.
	a.5.B 1) through 6)	<p>The Monthly Summary Report shall also provide:</p> <ol style="list-style-type: none"> 1) Dates when data files were sent to public agencies in the period, 2) Progress on employer outreach and customer service activities, 3) Information on record retention and destruction activities, 4) Status of any Offeror corrective action items, 5) Identification of any issues that Department management needs to be made aware of, and 6) A list of all employers who reported medical insurance availability, including full contact information and status of availability reported.

	<p>a.5.C 1) through 10)</p>	<p>The Offeror shall produce an annual bound report with appropriate graphics and spreadsheets that includes:</p> <ol style="list-style-type: none"> 1) Achievements Summary 2) Organization and Staffing 3) Customer Service 4) Quality Assurance 5) Employer Outreach Activities 6) Performance Statistics 7) Trend Analysis 8) Compliance Activities 9) NMSN Initiatives 10) Goals and Opportunities <p>The report shall be delivered to the Department Project Manager who in turn will deliver it to HSD Senior Managers.</p>
	<p>a.5.D</p>	<p>The Offeror shall ensure that management staff attends meetings as requested by the Department Contract Administrator. Project meetings will take place in Santa Fe, unless otherwise informed by the Department Contract Administrator.</p>
	<p>a.5.E</p>	<p>The Offeror shall manage and document the progress of the project, making the Department administration aware of conflicts and key decision issues, and developing recommendations for the resolutions of such conflicts and/or issues.</p>
	<p>a.5.F</p>	<p>Upon written notification by the Department Contract Administrator of Offeror non-compliance with terms of the contract agreement, the Offeror shall provide a written Corrective Action Plan to the Department Contract Administrator within seven days. On approval of the Corrective Action Plan by the Department Contract Administrator, the Offeror shall comply with the terms of the Corrective Action Plan.</p>

	<p>a.5.G 1) through 10)</p>	<p>The Offeror shall be responsible for providing a Project Turnover Plan within ninety (90) days of this New Hires Contract. The Project Turnover Plan shall be updated by the Offeror on an as needed basis as long as the Contract is in effect, or upon Contract termination. This plan shall be provided in hard copy and electronic versions, and shall include the following information:</p> <ol style="list-style-type: none"> 1) Documents to be included in informational mailing to employers to reflect changes in reporting procedures; 2) Listing of all equipment with information as to whether the items are owned by the Offeror, or are leased or rented and by whom; 3) Detailed breakdown of processing steps performed by the Offeror. Information should include staffing, equipment, facility, supply consumption, work loads, and standard procedures; 4) Lists of all job titles and work classifications and the number of individuals in each position. 5) Detailed statistics on operating volumes; 6) Training outlines and materials developed for employees; 7) Written commitment to provide access to the facility by the Department and others in relation to re-procurement; 8) A 90 (ninety) day supply of forms and notices; 9) A list of all software purchased or developed for the purpose of operating the Directory of New Hires; <ol style="list-style-type: none"> a) The Offeror may use previously developed proprietary software in operating this program; however, software, data files and formats, application programs, and related documentation purchased or developed for the purpose of operating the Directory shall become property of the Department. Copies of all proprietary software utilized in this program together with a prepaid three (3) year license for its use shall be provided to the Department upon termination or expiration of this Agreement. Alternatively, if the Offeror wants to use software that it has developed for this project for other customers, it shall provide the Department license in perpetuity. b) The program software must continue to be entirely functional upon expiration or termination of this Agreement. 10) Other information requested that the Department, in its sole discretion, believes is necessary to effectuate a smooth turnover to the successor provider or the Department.
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	a.5.H 1) through 5)	<ol style="list-style-type: none"> 1) The Offeror will perform all services required to ensure a smooth transition of all activities for the New Mexico Directory of New Hires Program. All plans must receive written approval from the Department prior to implementation. 2) The Offeror will submit to the Department for approval, a final comprehensive written Transition Plan within fourteen (14) days after the date that the New Mexico Directory of New Hires contract is signed by the DFA Contracts Officer. The Department will review the plan and communicate, in writing, acceptance or rejection of parts of the plan. The Department will provide its comments and assign a date for completion of the revision. All plans must receive written approval from the Department prior to implementation. 3) The Offeror's Project Manager during the Transition Phase will be available in Santa Fe commencing on Day 1 and will be available by request to meet with Department representatives. 4) The Offeror and the Department Project Manager will jointly develop, and present to the Department a plan for the Transition Phase that reflects the Department's needs and that will provide adequate opportunity to plan and accomplish the efficient transfer of functions and activities. 5) If, at the end of the two (2) month Transition Phase, the Offeror has not met the requirements of the Transition Phase as a result of their own actions or inactions, resulting in the Department having to continue to keep the current Offeror, Directory of New Hires, for additional weeks or months beyond the two-month period, the Offeror shall be considered in breach of the potential contract. Should such an event occur, the Offeror agrees to work with the current Offeror to ensure that the transition is completed within no more than thirty (30) days from the end of the two-month transition period, and the Offeror will not be compensated for its services during that period until the Department agrees in writing that the transition has been completed.
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	a.5.I 1) through 5)	<p>The Transition Plan, shall include, but not be limited to:</p> <ol style="list-style-type: none"> 1) A plan for orientation and training of all proposed contract staff; 2) Documented procedures for ensuring smooth cooperation and coordination between the current Directory of New Hires Offeror, the Department, the Offeror and the Department of Information Technology; 3) A documented plan for transferring all documents and documentation (including all notes, working papers, draft documents), and all New Mexico Directory of New Hires application components and all data within the current Offeror's development environment; 4) A documented plan for the installation and operation of the application development environment; 5) Proposed office location and associated activities for the office setup.
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F. Deliverable Number 6 (Option) Internet NMSN

<u>Deliverable Six</u>		<u>Due Date</u>	<u>Compensation</u>
Internet NMSN		7/01/09-6/30/13	See Exhibit A.III.
Task Item	Sub Tasks	Description	
Internet NMSN – Technical Requirement	b.2.E	<p>The Offeror shall establish a secure Internet site and provide employers an easy, reliable, and secure method of receiving and responding to National Medical Support Notices (NMSNs) for their employees. The site will be built to NIST-800-44 Guidelines on Securing Public Web Servers. The Offeror will receive a daily file from the Department with information necessary to post the NMSNs. The Offeror will post the NMSN for secure access by the employers within one business day of receipt of the Department's file. The Offeror will produce a daily file with the employers' responses to NMSNs in a format and transmission method defined by the Department. The Offeror will include information on the internet NMSN reporting availability in employer outreach.</p>	

G. Deliverable Number 7 (Option) Database and Transmission File Format Changes

<u>Deliverable Seven</u>		<u>Due Date</u>	<u>Compensation</u>
Database and Transmission File Formats Changes		7/01/09-6/30/13	See Exhibit A.III.

Task Item	Sub Tasks	Description
Database and Transmission File Format Changes	1	Changes to database or transmission file formats requested after the first 12 months

APPENDIX C

Exhibit A.III

Basis For Payment: New Mexico Directory Of New Hires

This form includes all contractor costs for the services described in the Scope of Work. The base unit rates include all salaries and wages, overhead costs, travel and per diem, relocation costs, telephone, rents, leases, fees, insurance, licenses, machine costs, taxes, and all other costs.

Deliverable	Scope of Work Items	DESCRIPTION	BASE UNIT RATE	VOLUME FACTOR	ESTIMATED ANNUAL BASE COST (before Gross Receipts Taxes)
One	a.1.A through a.1.B	Employer Outreach	\$4,777	X 12 months	\$57,324
Two	a.2.A through a.2.G; b.1.A through b.1.F	Transaction Activities	\$0.10	X 450,000 Estimated Annual Transactions [◇] *	\$45,000
Three	a.3.A through a.3.D; b.2.A through b.2.D and b.2.F	Customer and Technical Support	\$11,253	X 12 months	\$135,036
Four	a.4; b.3.A through b.3.B	Producing and Transmitting Files to Public Agencies	\$280	X 12 months	\$3,360
Five	a.5.A through a.5.I	Project Reporting and Turnover Planning	\$59	X 12 months	\$708
Six (Option)~	b.2.E	Internet NMSN	\$3,846	X 12 months	\$46,154
Seven (Option)		Hourly Rate for changes to database or transmission file formats requested after the first 12 months of contract	\$125	X Number of Hours	
All Deliverables minus Deliverable Six	a.1.a through a.5.I; b.1.a through b.2.D; b.2.F through b.3.B	Annual Cost without Internet NMSN			\$241,428
Deliverables One through Six	a.1.a through b.3.B	Annual Cost with Internet NMSN			\$287,582

◇ The Department makes no guarantee concerning and has no control over the volume of new hires reports which may be received by the contractor.

* One transaction is equal to each non-duplicative employee hiring report with all mandatory and optional reporting data elements posted in the NM Directory of New Hires, transmitted as required, and verified by the Department.

~ Deliverable Option Number Six will not be included in the first contract year.

Exhibit A.IV

Cost Calculation Worksheet

Description	Estimated Base Cost [◇]	CPI [●] Adjustment Factor	Total	Total with Gross Receipts Tax [▪]
Year One Without Internet NMSN	\$241,428	1.0	\$241,428	\$260,590
Year One With Internet NMSN	N/A	1.0	N/A	N/A
Year Two Without Internet NMSN	\$241,428	1.029	\$248,429	\$268,147
Year Two With Internet NMSN	\$287,582	1.029	\$295,922	\$319,409
Year Three Without Internet NMSN	\$241,428	1.058	\$255,431	\$275,704
Year Three With Internet NMSN	\$287,582	1.058	\$304,262	\$328,411
Year Four Without Internet NMSN	\$241,428	1.087	\$262,432	\$283,261
Year Four With Internet NMSN	\$287,582	1.087	\$312,602	\$337,413
Total Without Internet NMSN[▣]			\$1,007,720	\$1,087,703
Total With Internet NMSN[○]			\$1,154,213	\$1,245,823

◇ Estimated Base Cost is from the last two rows of the Basis for Payment Form. Must remain the same for each year.

● Consumer Price Index Adjustment Factor, equals 2.9% increase per year. This is a firm, fixed figure.

▣ Multiply CPI Adjustment Factor times Estimated Base Cost.

▪ Multiply Total times 7.937 percent, current Santa Fe County Gross Receipts Tax.

▣ Add All rows labeled “Without Internet NMSN.”

○ Add all rows labeled “With Internet NMSN, plus Year One “Without Internet NMSN” to account for this deliverable not being optioned in Year One.

EXHIBIT B

NEW MEXICO DIRECTORY OF NEW HIRES

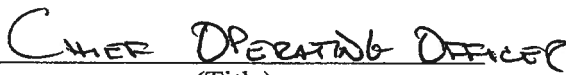
**TERMS AND CONDITIONS
STATEMENT OF CONFIDENTIALITY**

The undersigned employee of Policy Studies, Inc., hereinafter referred to as "Contractor", agrees, during the term of the Contract between Contractor and the New Mexico Human Services Department (HSD) and forever thereafter, to keep confidential all information and material provided by HSD or otherwise acquired by the employee, excepting only such information as is already known to the public, and including any such information and material relating to any customer, client, vendor, or other party transacting business with HSD, and not to release, use or disclose the same except with the prior written permission of HSD. This obligation shall survive the termination or cancellation of the Contract between Contractor and HSD or of the undersigned's employment or affiliation with Contractor, even if occasioned by Contractor's breach or wrongful termination.

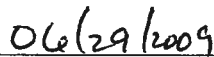
The undersigned recognizes that the disclosure of information may give rise to irreparable injury to HSD, a client or customer of HSD, or to the owner of such information, inadequately compensable in damages and that, accordingly, HSD or such other party may seek and obtain injunctive relief against the breach or threatened breach of the within undertakings, in addition to any other legal remedies which may be available. The undersigned acknowledges that he or she may be personally subject to civil and/or criminal proceedings for such breach or threatened breach.



(Signature)



(Title)



(Date)

EXHIBIT C

IRS DATA SAFEGUARDING

I. PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the contractor or the contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (8) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its 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 to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, 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.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

Exhibit D

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective contractor seeking to enter into a contract with any state agency or local public body for **professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources** must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Prospective contractor" means a person or business that is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person or business qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

Name(s) of Applicable Public Official(s) if any: _____
(Completed by State Agency or Local Public Body)

DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE CONTRACTOR:

Contribution Made By: _____
Relation to Prospective Contractor: _____
Date Contribution(s) Made: _____
Amount(s) of Contribution(s) _____
Nature of Contribution(s) _____

Purpose of Contribution(s)

(Attach extra pages if necessary)

Signature

Date

Title (position)

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

05/20/2009

Date

President and Chief Administrative Officer

Title (Position)

(PSI)