

AWARD / CONTRACT		1. This Contract is a rated order under DPAS 9 (15 CFR 700)	Rating DO	Page 1	of Pages 56
2. Contract (Proc., Inst., Ident.) No. H9400209D0001		3. Effective Date June 30, 2009	4. Requisition / Purchase Request / Project No. 08-PR-0037 00000		
5. Administered By DEPARTMENT OF DEFENSE TRICARE MANAGEMENT ACTIVITY/CM 16401 E. CENTRETECH PARKWAY AURORA, CO 80011-9066 SCOTT J. LAMOND K04 303-676-3649 Scott.lamond@tma.osd.mil		Code H94002	6. Administered By (if other than item) See Item 5		Code H94002
7. Name and address of Contractor (No., Street, City, state and Zip Code) MERIDIAN RESOURCE COMPANY, LLC ATTN: AUDIT SERVICES 20725 WATERTOWN ROAD WAUKESHA WI 53186-1820		Vendor ID: 00002157 DUNS: 803033117 CEC: Cage Code: 088S3 TIN: 392013971	8. Delivery <input type="checkbox"/> FOB Origin <input type="checkbox"/> Other (See below)		
11. Ship To / Mark For DEPARTMENT OF DEFENSE TRICARE MANAGEMENT ACTIVITY/CM 16401 E. CENTRETECH PARKWAY AURORA, CO 80011-9066		Code H94002	12. Payment will be made by DEPARTMENT OF DEFENSE TRICARE MANAGEMENT ACTIVITY/CM 16401 E. CENTRETECH PARKWAY AURORA, CO 80011-9066		
13. Authority for using other than full and open competition <input type="checkbox"/> 10 U.S.C 2304C() <input type="checkbox"/> 41 U.S.C. 253 (C))		14. Accounting and Appropriation Data			

15A ITEM NO.	15B SUPPLIES/SERVICES	15C QUANTITY	15D UNIT	15E UNIT PRICE	15F AMOUNT
	I. This Fixed-Price, Requirements Contract H94002-09-D-0001 is awarded as per RFP H94002-08-R-0003 with amendments 0001 through 0006 and as herein.				

15G. TOTAL AMOUNT OF CONTRACT \$ 0.00

(x)	Sec.	Description	Pages	(x)	Sec.	Description	Pages
Part I - The Schedule				Part II - Contract Clauses			
X	A	Solicitation/Contract	1-4	X	I	Contracts Clauses	43-55
X	B	Supplies or Services and Prices/Cost	5-10	Part III - List of Documents, Exhibits and other attach.			
X	C	Description/Specs/Work Statement	11-25	X	J	List of Attachments	56-56
X	D	Packaging and Marking	26-26	Part IV - Representations and Instructions			
X	E	Inspection and Acceptance	27-27	K	Representations, Certifications and other statements of Offerors		
X	F	Deliveries or Performance	28-33		Instrs., Conds, and Notices to Offerors		
X	G	Contract Administration Data	34-36	M	Evaluation factors for Award		
X	H	Special Contract Requirements	37-42				

Contracting Officer will complete item 17 or 18 as applicable

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 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 obligation 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. (Attached are listed herein.)	18. <input type="checkbox"/> 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 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.
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19A. Name and Title of Signer (Type or Print) <i>Timothy P. Spears, Staff Vice President</i>	20A. Name of Contracting Officer SCOTT J. LAMOND 303-676-3649 scott.lamond@tma.osd.mil
19B. Name of Contractor Meridian Resource Co, LLC By <i>Timothy P. Spears</i> (Signature of person authorized to sign)	20B. United States of America By <i>Scott J. Lamond</i> (Signature of Contracting Officer)
CSC. Date Signed July 2, 2009	20C. Date Signed 7/15/2009

Contract with P0007 Modifications

Section A

1. Continued:

All CLINs and SLINs will be ordered as required by the Government by issuance of Delivery Orders in accordance with Section I clauses I.101, FAR 52.216-18, entitled "Ordering" and I.102, FAR 52.216-19, entitled "Order Limitations".

2. The contractor agrees to amend the Subcontracting Plan (FPR, dated April 10, 2009) with the change stated below. The contractor shall submit the amended Subcontracting Plan with the signed contract for inclusion herein. The Subcontracting Plan is incorporated into this contract as Attachment A-1 to Section A.

a. A revised Subcontracting Plan must include a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and to award subcontracts to them (FAR 52.219-9(d)(5)).

3. This contract has incorporated the following minor changes from the Request for Proposal and Amendments 0001 through 0006:

a. Section C

i. Paragraph C-3.3.4.4.1. Corrected the TED Audit Summary Report referenced from "TA260-001" to "TA280-001".

ii. Paragraph C-3.6.2.4. Provided additional description from "...shall conduct a Physical Security Assessment during..." to "...shall conduct an Information System (IS)/Networks Personnel, System, Physical, Physical Security Assessment during..."

iii. Paragraph C-3.6.4.1. First sentence changed from "...responsible for activities as required by TMA to facilitate..." to "...responsible for activities as required by the CO to facilitate..."

iv. Paragraph C-6.2. First sentence changed from "The TADR's will be provided..." to "The TRICARE Audit Detail Records (TADR's) will be provided..."

iv. Paragraph C-6.3 Deleted the original C-6.3 that stated "The Government will provide telecommunication lines for the use by the TCRS contractor for the performance of this contract." Re-numbered the following paragraph accordingly.

In the re-numbered paragraph, the first sentence was changed from "The Government will furnish access to DEERS only after..." to read "The Government will furnish access to DEERS and TRICARE Patient Encounter Processing and Reporting (PEPR) Applications (i.e. TA & PCDIS) only after..."

b. Section E

i. Paragraph E-4. Changed from: "The final acceptance authority for the government shall be:

Department of Defense
TRICARE Management Activity
Purchased Care Auditing Section (PCAS)

(Contracting Officer's Representative)
16401 E. Centretech Parkway
Aurora, CO 80011-9066
Telephone: 303-676-3726

Changed to: "The final acceptance authority for the government shall be the Contracting Officer or as delegated by the Contracting Officer.

Department of Defense
TRICARE Management Activity/CMD
16401 E. Centretech Parkway
Aurora, CO 80011-9066

c. Section F

- i. Paragraph F-4.2. Removed office symbol "CMB" from "...Attention: CMB/Contracting Officer...".
- ii. Paragraph F-4.3. Removed office symbol "CMB" from "...Attention: CMB/CO...".
- iii. Paragraph F-4.4. Removed office symbol "PCAS" from "...Attention: PCAS/COR...".
- iv. Paragraph F-6 Extensions. This paragraph was deleted in its entirety and identified as being "Reserved".

d. Section G

- i. Paragraph G-1.1. Removed office symbol "(CMB)" from "Contract Management (CMB)".
- ii. Paragraph G-1.2. Removed office symbol "(CMB)" from "...Contract Management (CMB) TRICARE Management Activity...".
- iii. Paragraph G-5.1. Changed from "Attn: Claims Audit Management, TCRS COR" to "Attn: Finance and Accounting Branch (F&AB)".
- iv. Paragraph G-5.2. Third sentence changed from "...by email with original to the COR and one..." to "...by email with original to F&AB and one...".
- v. Paragraph G-5.2.3. Deleted the last sentence starting "For the reimbursement of long distance telephone calls during travel,..."

e. Section I

- i. Paragraph I.11 FAR clause 52.203-13, "Contractor Code of Business Ethics and Conduct" was deleted as a referenced clause and inserted in full text in paragraph I.96.
- ii. Paragraph I.98 FAR Clause 252.204-7004, Alternate A, Central Contractor Registration (SEP 2007) was referenced in paragraph in I.19 and again in I.98 in full text. The full text version was deleted in its entirety.
- iii. Paragraph I.100 FAR clause 52.215-19, "Notification of Ownership Changes" was referenced in paragraph I.33 and again in I.100 in full text. The full text version was deleted in its entirety.

All paragraph numbers have been renumbered accordingly.

SF 26 CONTINUATION SHEET

f. Section J

i. All Attachments with the exceptions of Attachments J-5, J-7, J-8, J-9, J-13 and J-14 have been modified to incorporate the reference to this contract number either in the header or the footer.

SCHEDULE B

Item No.	Supplies/Services	Quantity	Unit	Unit Price	Amount
	Base Period: Date of Award (30 June 2009) through 31 August 2010				
0001	Transition Phase-in, in accordance with attached Statement of Work in Section C.	1	LT	(b)(4)	(b)(4)
0002	Phase-in, Defense Information Assurance Certification and Accreditation Process (DIACAP), Physical and Personnel Security, in accordance with attached Statement of Work in Section C.	1	LT	(b)(4)	(b)(4)
0003	Benchmark, in accordance with attached Statement of Work in Section C.	1	LT	(b)(4)	(b)(4)
	OPTION PERIOD I: 01 September 2010 through 31 August 2011. (Fixed price per claim audit; all quantities are estimated.) SUBJECT TO THE AVAILABILITY OF FISCAL YEAR FUNDING				
1001	Claims Audit Review Services, in accordance with Section C of the attached Statement of Work.	0	EA	NSP	NSP
1001AA	MCS and TDEFIC Quarterly Audits, in accordance with Section C of the attached Statement of Work.	26700	EA	(b)(4)	(b)(4)
1001AB	TRICARE Overseas Program (TOP) Quarterly Audits, in accordance with Section C of the attached Statement of Work.	3200	EA	(b)(4)	(b)(4)
1001AC	TRICARE Pharmacy (TPHARM) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	9000	EA	(b)(4)	(b)(4)
1001AD	TRICARE Active Duty Dental Program (ADDP) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	5000	EA	(b)(4)	(b)(4)
1001AE	Annual Health Care Cost Audits for T-NEX Contractors, in accordance with Section C of the attached Statement of Work.	12000	EA	(b)(4)	(b)(4)
1002	Contracting Officer Directed Travel, in accordance with Section C of the attached Statement of Work. (Not to Exceed \$10,000.00)	10000	EA	(b)(4)	(b)(4)
1003	Defense Information Assurance Certification and Accreditation Process (DIACAP) Physical and Personnel Security, in accordance with Section C of the attached Statement of Work.	12	MO	(b)(4)	(b)(4)

SCHEDULE B

Item No.	Supplies/Services	Quantity	Unit	Unit Price	Amount
1004	Transition Phase-out, in accordance with Section C of the attached Statement of Work. OPTION PERIOD 2: 01 September 2011 through 31 August 2012. (Fixed price per claim audit; all quantities are estimated.) SUBJECT TO THE AVAILABILITY OF FISCAL YEAR FUNDING.	1	LT	██████████ (b)(4)	██████████ (b)(4)
2001	Claims Audit Review Services, in accordance with Section C of the attached Statement of Work.	0	EA	NSP	NSP
2001AA	MCS and TDEFIC Quarterly Audits, in accordance with Section C of the attached Statement of Work.	29200	EA	██████████ (b)(4)	██████████ (b)(4)
2001AB	TRICARE Overseas Program (TOP) Quarterly Audits, in accordance with Section C of the attached Statement of Work.	6400	EA	██████████ (b)(4)	██████████ (b)(4)
2001AC	TRICARE Pharmacy (TPHARM) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	9000	EA	██████████ (b)(4)	██████████ (b)(4)
2001AD	TRICARE Active Duty Dental Program (ADDP) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	5000	EA	██████████ (b)(4)	██████████ (b)(4)
2001AE	Annual Health Care Cost Audits for T-3 MCS Contractors, in accordance with Section C of the attached Statement of Work.	0	EA	██████████ (b)(4)	██████████ (b)(4)
2002	Contracting Officer Directed Travel, in accordance with Section C of the attached Statement of Work. (Not to Exceed \$10,000.00)	10000	EA	██████████ (b)(4)	██████████ (b)(4)
2003	Defense Information Assurance Certification and Accreditation Process (DIACAP) Physical and Personnel Security, in accordance with Section C of the attached Statement of Work.	12	MO	██████████ (b)(4)	██████████ (b)(4)
2004	Transition Phase-out, in accordance with Section C of the attached Statement of Work. OPTION PERIOD 3: 01 September 2012 through 31 August 2013. (Fixed price per claim audit; all quantities are estimated.) SUBJECT TO THE AVAILABILITY OF FISCAL YEAR FUNDING.	1	LT	██████████ (b)(4)	██████████ (b)(4)

SCHEDULE B

Item No.	Supplies/Services	Quantity	Unit	Unit Price	Amount
3001	Claims Audit Review Services, in accordance with Section C of the attached Statement of Work.	0	EA	NSP	NSP
3001AA	MCS and TDEFIC Quarterly Audits, in accordance with Section C of the attached Statement of Work.	29200	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3001AB	TRICARE Overseas Program (TOP) Quarterly Audits, in accordance with Section C of the attached Statement of Work.	6400	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3001AC	TRICARE Pharmacy (TPHARM) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	9000	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3001AD	TRICARE Active Duty Dental Program (ADDP) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	5000	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3001AE	Annual Health Care Cost Audits for T-3 MCS Contractors, in accordance with Section C of the attached Statement of Work.	12000	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3002	Contracting Officer Directed Travel, in accordance with Section C of the attached Statement of Work. (Not to Exceed \$10,000.00)	10000	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3003	Defense Information Assurance Certification and Accreditation Process (DIACAP) Physical and Personnel Security, in accordance with Section C of the attached Statement of Work.	12	MO	[REDACTED] (b)(4)	[REDACTED] (b)(4)
3004	Transition Phase-out, in accordance with Section C of the attached Statement of Work. OPTION PERIOD 4: 01 September 2013 through 31 August 2014. (Fixed price per claim audit; all quantities are estimated.) SUBJECT TO THE AVAILABILITY OF FISCAL YEAR FUNDING.	1	LT	[REDACTED] (b)(4)	[REDACTED] (b)(4)
4001	Claims Audit Review Services, in accordance with Section C of the attached Statement of Work.	0	EA	NSP	NSP
4001AA	MCS and TDEFIC Quarterly Audits, in accordance with Section C of the attached Statement of Work.	29200	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
4001AB	TRICARE Overseas Program (TOP) Quarterly Audits, in accordance with Section C of the attached Statement of Work.	6400	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)
4001AC	TRICARE Pharmacy (TPHARM) Semi-Annual	9000	EA	[REDACTED] (b)(4)	[REDACTED] (b)(4)

SCHEDULE B

Item No.	Supplies/Services	Quantity	Unit	Unit Price	Amount
	Audits, in accordance with Section C of the attached Statement of Work.				
4001AD	TRICARE Active Duty Dental Program (ADDP) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	5000	EA	(b)(4)	(b)(4)
4001AE	Annual Health Care Cost Audits for T-3 MCS Contractors, in accordance with Section C of the attached Statement of Work.	21000	EA	(b)(4)	(b)(4)
4002	Contracting Officer Directed Travel, in accordance with Section C of the attached Statement of Work. (Not to Exceed \$10,000.00)	10000	EA	(b)(4)	(b)(4)
4003	Defense Information Assurance Certification and Accreditation Process (DIACAP) Physical and Personnel Security, in accordance with Section C of the attached Statement of Work.	12	MO	(b)(4)	(b)(4)
4004	Transition Phase-out, in accordance with Section C of the attached Statement of Work.	1	LT	(b)(4)	(b)(4)
5001	OPTION PERIOD 5: 01 September 2014 through 31 August 2015. (Fixed price per claim audit; all quantities are estimated.) SUBJECT TO THE AVAILABILITY OF FISCAL YEAR FUNDING Claims Audit Review Services, in accordance with Section C of the attached Statement of Work.	0	EA	NSP	NSP
5001AA	MCS and TDEFIC Quarterly Audits, in accordance with Section C of the attached Statement of Work.	29200	EA	(b)(4)	(b)(4)
5001AB	TRICARE Overseas Program (TOP) Quarterly Audits, in accordance with Section C of the attached Statement of Work.	6400	EA	(b)(4)	(b)(4)
5001AC	TRICARE Pharmacy (TPHARM) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	9000	EA	(b)(4)	(b)(4)
5001AD	TRICARE Active Duty Dental Program (ADDP) Semi-Annual Audits, in accordance with Section C of the attached Statement of Work.	5000	EA	(b)(4)	(b)(4)
5001AE	Annual Health Care Cost Audits for T-3 MCS Contractors, in accordance with Section C of the attached Statement of Work.	30000	EA	(b)(4)	(b)(4)

SCHEDULE B

Item No.	Supplies/Services	Quantity	Unit	Unit Price	Amount
5002	Contracting Officer Directed Travel, in accordance with Section C of the attached Statement of Work. (Not to Exceed \$10,000.00)	10000	EA	█ (b)(4)	█ (b)(4)
5003	Defense Information Assurance Certification and Accreditation Process (DIACAP) Physical and Personnel Security, in accordance with Section C of the attached Statement of Work.	12	MO	█ (b)(4)	█ (b)(4)
5004	Transition Phase-out, in accordance with Section C of the attached Statement of Work.	1	LT	█ (b)(4)	█ (b)(4)

C-1.0 GENERAL:

C-1.1. **SCOPE:** The purpose of this contract is to assist the Office of the Assistant Secretary of Defense Health Affairs (OASD-HA), TRICARE Management Activity (TMA), Uniformed Services, and the TRICARE Regional Offices (TRO) by providing an independent, impartial review of reimbursement determinations and healthcare claims processing services. The TRICARE Claims Review Services (TCRS) contractor shall audit and report on claims processing procedures, reimbursement methodologies, and payment record coding procedures utilized by the TNEX Managed Care Support (MCS), T-3 MCS, TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC), TRICARE Pharmacy (TPHARM), TRICARE Overseas Program (TOP), and TRICARE Active Duty Dental Program (ADDP) contractors, to determine contractor compliance with TRICARE directives.

C-1.1.1: As used in this contract, the term “audit” means a review of reimbursements under MCS, TDEFIC, TPHARM, TOP and ADDP contracts to determine whether payment, or, as specified, coding and payment, was accomplished in compliance with the provisions of the respective contracts, including any incorporated authorities (see Section C-8). It is not an audit as described within and is not governed by the Government Auditing Standards.

C-1.2. The TCRS contractor will implement an audit process to determine the accuracy of claim payment, and payment record coding. The claim audit volume is based upon the number of active TNEX MCS, T-3 MCS, TDEFIC, TPHARM, TOP, and ADDP contracts. Initially the volume of claims to be included in the audit process will contain claims processed by each TNEX MCS, T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contract. Once the audit requirements for the TNEX MCS contracts have expired, the claim volume will be based upon the T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contracts. The audit claims volume may fluctuate based upon the audit volume requirements directed by TMA, and as the TNEX MCS, T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contracts expire or as follow-on contracts are awarded over the performance period of this contract.

C-1.3. The TCRS contractor will be tasked with conducting separate quarterly audits for each T-3 MCS, TDEFIC, and TOP contract. “Quarterly” is based on the contract period of each individual T-3 MCS, TDEFIC, and TOP contracts. The estimated quarterly claim audit sample size for each T-3 MCS, and TOP contract is 1,600; while the estimated claim sample size for the TDEFIC contract is 2,500.

C-1.4. The TCRS contractor will be tasked with conducting separate semi-annual audits for the TPHARM and ADDP contracts. “Semi-Annual” is based on their individual contract period of performance. The approximate claim sample size for the TPHARM contract is 4,000 while the approximate sample size for the ADDP contract is 2,500.

C-1.5. In addition to the quarterly and semi-annual audits, the TCRS contractor will be tasked with conducting Annual Health Care Cost (AHCC) audits for each TNEX MCS and T-3 MCS contract, (based on the contract period of performance for each applicable contract). The estimated sample size for each AHCC audit will be at a minimum of 4,000 but no greater than 10,000 claims per TNEX MCS and T-3 MCS contract. Attachment J-10 of Section J provides an overview of the estimated schedule of audits of each referenced contract, within each claims audit contract period.

C-1.6. The Government reserves the right to change the number of claims to be included in an audit sample for the quarterly, semi-annual or AHCC audits. Changes to the claims audit sample volume will be reviewed annually by the Government, and if necessary, changes will be issued through a contract modification. The fluctuation in the claims audit volume for the quarterly and semi-annual audits is not anticipated to increase or decrease by more than 10 percent (10%).

C-1.7. A sample of claims processed by each T-3 MCS, TDEFIC, and TOP contractors will be audited after each contract quarter; while a sample of claims processed by the TPHARM and ADDP contractors will be audited on a semi-annually contract basis. The purpose of the quarterly and semi-annual audits is to determine the contractor’s performance against claims processing standards under the terms of their individual contract. Additionally, a sample of underwritten claims processed by the TNEX and T-3 MCS contractors will be audited annually to support the accuracy of Target Health Care Costs under the terms of the TNEX contracts, and to identify unallowable underwritten health costs under the terms of T-3 MCS contracts.

C-1.8. All audits will contain statistically valid audit samples of individual contractor processed claims. The claims identified for audit will be selected by TMA for each of the TNEX MCS, T-3 MCS, TDEFIC, TPHARM, TOP, and ADDP contracts.

C-1.9. The Quarterly Claims Processing Accuracy Standards audits for the T-3 MCS, TDEFIC, and TOP contracts will contain two (2) statistical samples for payment one (1) denied payment sample and one (1) non-denied payment sample errors and one (1) statistical sample for occurrence errors.

C-1.10. The list of TED records (claims) selected for the quarterly audit will be forward to each T-3 MCS, TDEFIC, and TOP contractor from TMA. The T-3 MCS, TDEFIC, and TOP contractors will have 45 days from the date of the TMA letter forwarding the Internal Control Number (ICN) listing, to submit legible copies of processed claims (i.e., HCFA 1500, UB92, UB04) and all documentation to support the contractors adjudication of the claim and their claims processing procedures, directly to the TCRS contractor. The ICN listing identifying records (claims) selected for the quarterly audit will be downloaded from the TA application by the TCRS contractor.

C-1.11. The Semi-Annual Claims Processing Accuracy Standards audit for the TPHARM contract will contain four (4) separate statistical non-denied payment samples for payment errors and four (4) separate statistical occurrence samples for occurrence errors for the following claim processing types: 1) Electronic Retail Pharmacy Claims; 2) Paper Retail Pharmacy Claims; 3) Mail Order Pharmacy Claims; and 4) Specialty Pharmacy Services Claims. There will be one (1) separate denied payment sample for Paper Retail Pharmacy Claims. The semi-annual payment, benefit, and data transmittal audit for the ADDP contract will contain two (2) statistical samples for payment (denied and non-denied) errors and one (1) statistical sample for occurrence errors.

C-1.12. The list of TED records (claims) selected for the semi-annual audit will be forward to the TPHARM contractor by TMA. The TPHARM contractors will have 45 days from the date of the TMA letter forwarding the Internal Control Number (ICN) TED record listing, to submit legible copies of requested claims (i.e., HCFA 1500, DD 2642 etc.) and all documentation that supports the adjudication of the claim and their claims processing procedures, directly to the TCRS contractor. The ADDP contractor will have 45-days to submit legible copies of requested claims that are processed through their reimbursement system and all supporting documentation (i.e., Referral and Authorization, Dental Information Sheet, etc.), directly to the TCRS contractor. The ICN listing identifying records (claims) selected for the semi-annual audit will be downloaded from the TA application by the TCRS contractor.

C-1.13. The Annual Health Care Cost (AHCC) audits for each individual TNEX and T-3 MCS contract will contain a statistical payment sample of non-denied underwritten healthcare claims but will not include statistical samples for occurrence errors.

C-1.14. The list of TED records (claims) selected for the AHCC audit, will be forward to each TNEX and T-3 MCS contractor from TMA. Each TNEX and T-3 MCS contractor will have 30 days from the date of the TMA letter forwarding the Internal Control Number (ICN) TED record listing, to submit legible copies of the claims (i.e, HCFA 1500, UB-92, UB-04, etc.) and all documentation to support the contractors adjudication of the claim, directly to the TCRS contractor. The ICN listing identifying records (claims) selected for the AHCC audit will be downloaded from the TA application by the TCRS contractor.

C-1.15. Unless otherwise noted, the descriptions/specifications outlined in this section apply to all the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM, TOP and ADDP contracts.

C-2.0 OBJECTIVES. The following are the objectives of the contract.

C-2.1. The objectives for the Quarterly and Semi-Annual audits under this contract are:

C-2.1.1. Objective-1. To provide an independent, impartial audit of the accuracy of claims payment and TED payment record coding by each T-3 MCS, TDEFIC, TPHARM, and TOP contractor, and to provide an independent, impartial audit of the accuracy of claims payment and contractor submitted data by the ADDP contractor.

C-2.1.2. Objective-2. To detect errors in claims payment and payment record coding by each T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contractor.

C-2.1.3. Objective-3. To compile and report to TMA, the errors in claims payment and payment record coding found on audit.

C-2.1.4. Objective-4. To review payment and occurrence audit error findings disputed by each T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contractor, and issue rebuttal response to each disputed item.

C-2.1.5. Objective-5. To issue a report to TMA, of the reviewed payment and occurrence error rebuttal findings.

C-2.1.6. Objective-6. To conduct a second review of remaining disputed payment and occurrence errors by each T-3 MCS, TDEFIC, TPHARM, TOP and ADDP contractor, and issue a response to each disputed item.

C-2.1.7. Objective-7. To issue a final report to TMA, of the second review findings. This data will be used by TMA for the following:

C-2.1.8. Objective-8. To monitor and evaluate each T-3 MCS, TDEFIC, TPHARM, and TOP contractor's quarterly or semi-annual claims processing performance against the governments Claims Processing Payment Error Rate performance standard.

C-2.1.9. Objective-9. To monitor and evaluate each T-3 MCS, TDEFIC, TPHARM, and TOP contractor's quarterly or semi-annual claims processing performance against the governments Claims Processing Occurrence Error Rate performance standard.

C-2.1.10. Objective-10. To calculate quarterly positive or negative incentives for the TDEFIC contractor; positive incentives for the TOP contractor; and to calculate Performance Guarantees for the TPHARM contractor.

C-2.2. The objectives for the Annual Health Care Cost (AHCC) audits under this contract are:

C-2.2.1. Objective-1. To provide an independent, impartial audit of the accuracy of claims payment for underwritten health care by each TNEX MCS and each T-3 MCS contractor.

C-2.2.2. Objective-2. To compile and report to TMA, errors in claim payment found on audit.

C-2.2.3. Objective-3. To review audit findings disputed by each TNEX and T-3 MCS contractor, and issue a rebuttal response to each disputed item.

C-2.2.4. Objective-4. To issue a report to TMA, of the rebuttal findings.

C-2.2.5. Objective-5. To conduct a second review of remaining disputed payment error findings by each TNEX and T-3 MCS contractor, and issue a response to each disputed item.

C-2.2.6. Objective-6. To issue a final report to TMA, of the second review audit findings. This data will be used by TMA for the following:

C-2.2.7. Objective-7. To determine unallowable Target Health Care costs for the TNEX MCS contracts, and to determine Health Care Underwritten contract incentives for the T-3 MCS contracts.

C-3.0. TASKS

C-3.1. Task I – Quarterly and Semi-Annual/Annual Health Care Cost Audits.

C-3.1.1. Until such time that all TNEX MCS contracts audit requirements have expired, two types of TRICARE Audit Detail Records (TADRs) will be utilized during the audit process. The TNEX MCS contract's health care data is contained on TRICARE Encounter Data (TED) records with TED data fields applicable under the TNEX contracts. Health care data for the T-3 MCS, TDEFIC, TPHARM, and TOP contracts is contained on TED records applicable to their contracts. TADRs for each claim selected for audit will be downloaded from the TA application by the TCRS contractor.

C-3.1.2. Audit Procedures

C-3.1.2.1. Quarterly and Semi-Annual Payment Error Determinations. The TCRS contractor shall establish audit procedures which evaluate each T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor's payment determinations based on the claim, claim documentation, electronic claims history data, and other documents used in the adjudication of the claim. The evaluations are made by comparing the T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor's payment actions as indicated on the TADR (see Section J, Attachments J-1 and J-2) with contract requirements stipulated in the T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contracts, TRICARE Manuals and Regulations (see Section C- 8.0), and TMA instruction letters to the T-3 MCS, TDEFIC, TOP TPHARM, and ADDP contractor.

C-3.1.2.2. The TCRS contractor shall ensure that the payment errors, and appropriate TMA error codes indicated in Section J., Attachment J-6, are legibly annotated on the TADR including the dollar amount of the payment error assessed. An explanation of the reason for assessing each error must be annotated on the TADR. For those errors assessed, the TMA error code, the dollar amount of the payment error, and the explanation of the reason assessed must be input into the TED Audit (TA) application.

C-3.1.2.3. Quarterly and Semi-Annual Occurrence Error Determinations. The TCRS contractor shall establish audit procedures which evaluate each T-3 MCS, TDEFIC, TOP, TPHARM, and ADDP contractor's payment record coding. The evaluations are made by comparing the claim, claim documentation, electronic claims data, and other documents against the TADR.

C-3.1.2.4. The TCRS contractor shall ensure that the errors assessed must either be the designated TMA error codes, or the number fields on the TADR, and the identified errors must be legibly annotated on the TADR. An explanation of the reason for assessing each error must be annotated on the TADR. For those errors assessed, the TMA error codes, the number fields from the TADR and the explanation of the reason assessed must be entered into the TED Audit (TA) application.

C-3.1.2.5. Annual Health Care Cost (AHCC) Audits. The TCRS contractor shall establish audit procedures which evaluates each TNEX and T-3 MCS contractor's non-denied payment determinations based on claim, claim documentation, electronic claims history data, and other documents used in the adjudication of the claim. The evaluations are made by comparing the TNEX and T-3 MCS contractor's payment actions as indicated on the TADR with requirements in the TNEX and T-3 MCS contract, TRICARE Manuals and Regulations (Section C-8), contract language, and TMA instruction letters to the TNEX or T-3 MCS contractor.

C-3.1.2.6. The TCRS contractor shall ensure that the payment errors, and appropriate TMA error codes indicated in Section J., Attachment J-6 is legibly annotated on the TADR including the dollar amount of the payment error assessed. An explanation of the reason for assessing each error must be annotated on the TADR. For those errors assessed, the TMA error code, the dollar amount of the payment error, and the explanation of the reason assessed must be input into the TED Audit (TA) application.

C-3.1.2.7. The TCRS contractor shall establish procedures to ensure that during the Quarterly and Semi-Annual Payment and Occurrence Error Determination audits, and during the AHCC audits, that the requirements in effect at the time the claim was processed into the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM, and ADDP contract system, that the appropriate TRICARE Operations Manual (TOM), the TRICARE Policy Manual (TPM), the TRICARE Reimbursement Manual (TRM), the TRICARE Systems Manual (TSM) and TMA instruction letters to the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor, are met. (All manuals may be viewed at <http://www.tricare.osd.mil> by using the drop down menu).

C-3.1.3. Disposition of Documents

C-3.1.3.1. Claims **Without** Errors. Upon completion of an audit, claims without errors, and claim documentation shall be securely stored in a designated TCRS contractor area until the list of claims to be reviewed by TMA is received (see Task V, Section C-3.5). Once the claims for the TMA review have been pulled, the remaining claims from this group will be held in a designated TCRS contractor storage area until notification to destroy these claims by shredding is received from TMA.

C-3.1.3.2. Claims **With** Errors: Upon completion of an audit, claims that contain errors, claims documentation, all TADRs, and a copy of the TA audit reports are to be securely stored. The storage areas will be labeled with the (3) TNEX MCS, (3) T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contract number; region; audit quarter; and audit year. The documentation shall be held in the designated TCRS contractor area until the TCRS contractor is notified by the Contracting Officer, or designee, that all issues related to the audit has been resolved (for final disposition of these documents see Task II - Rebuttals, Section C-3.2.).

C-3.1.4. Receipt and Control

C-3.1.4.1. The TCRS contractor shall establish procedures for receipt and control of audit claims, claim documentation, and TADRs, which will enable the TCRS contractor to retrieve these documents prior to, during, or after completion of the audit and rebuttal.

C-3.1.4.2. The TCRS contractor shall develop procedures to assure the confidentiality of all beneficiary and provider information is protected at all times in accordance with the provisions of the Privacy Act, the Freedom of Information Act, the Drug-Free Workplace Act, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and applicable DoD/TMA Regulations, Instructions, and Directives.

C-3.2. Task II-Rebuttals

C-3.2.1. The TCRS contractor shall establish procedures to respond to each TNEX and T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor's rebuttal of audit findings during the Quarterly, Semi-Annual, and AHCC audits, for both payment and occurrence errors. The rebuttal responses must identify the claim number; beneficiary name; type of claim; disputed error by each TNEX MCS, each T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor; the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractors rebuttal position; the TCRS contractor's position after consideration; errors removed; and any additional errors found on review.

C-3.2.1.1. The TCRS contractor shall ensure that a concise, complete, and self-explanatory written response to each issue addressed by each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor is provided. The response to the disputed errors must clearly state whether the error is to remain, or to be removed. The TCRS contractor shall establish procedures to ensure errors removed on rebuttal or additional errors assessed as a result of the rebuttal review are entered into the TED Audit (TA) application. The TCRS contractor shall use all available supporting documentation, and resources to resolve all rebuttal issues.

C-3.2.1.2. Following completion of the rebuttal by the TCRS contractor, any further disputed audit issues by the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor shall be addressed by the TCRS contractor. The TCRS contractor will establish a review team to resolve, and respond to the further disputes from each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor. The TCRS contractor shall ensure that the review team consists of staff members that have not previously assessed, or reviewed the disputed errors. The TCRS contractor shall ensure that all available supporting documentation, and resources are used to resolve all second rebuttal review requests, and a clear and concise written response is provided for each request. The TCRS contractor shall conduct a 100% quality review of these responses at the supervisory level to ensure accuracy. The responses must identify the claim number, beneficiary name, type of claim, disputed error by each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor; the TNEX, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor's rebuttal position; the TCRS contractor's position after consideration, errors removed, and additional errors assessed. The TCRS contractor must ensure that the results of the review are input in to the TA application.

C-3.2.1.3. Following completion of the 2nd rebuttal by the TCRS contractor, any further disputed issues by the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor shall be addressed directly by TMA, Purchased Care Audit Section. Any errors subsequently removed by TMA, Purchased Care Audit Section will be forwarded to the TCRS contractor for removal from the TA application. The TCRS contractor shall ensure all errors removed by TMA, Purchased Care Audit Section, are removed from the TA application.

C-3.2.2. Disposition of Documents

C-3.2.2.1. Claims with errors which were not rebutted, and claims which were rebutted, and the errors were removed on rebuttal will be securely stored in a designated TCRS contractor area until the list of claims to be reviewed by TMA is received. Once the claims for the TMA review have been pulled, the remaining claims from this group will be held in a designated contractor storage area until notification to destroy these claims by shredding is received from TMA.

C-3.2.2.2. All claims containing disputed errors which were not removed on rebuttal, the claim documentation, the initial audit report, the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor rebuttal documents, all TADRs, and the initial and final rebuttal report will be securely stored in a designated TCRS contractor area until the list of claims to be reviewed by TMA is received.

C-3.2.2.3. If the sampling for review by TMA contains any claims in C-3.5. below the claims will be pulled, and copies submitted to TMA.

C-3.3. TASK III - MANAGEMENT

C-3.3.1. Capability. The TCRS contractor shall establish and maintain sufficient staffing, and management support services, and commit all other resources/facilities necessary to achieve, and maintain compliance with all standards for the audit, and rebuttal functions.

C-3.3.2. Planning and Performance. The TCRS contractor shall establish procedures that ensure the timely implementation of routine program changes which affect the claims audit process. This includes establishing procedures to ensure that the audit process is adjusted to accommodate different program change implementation dates for each TNEX MCS, T-3 MCS, and TDEFIC, TOP, TPHARM and ADDP contractors.

C-3.3.3. Quality Management. The TCRS contractor shall establish and continuously operate an Internal Quality Management Program (IQMP) covering every aspect of the TCRS operation to ensure control, accuracy, and timeliness. The TCRS contractor shall identify problems, identify corrective actions planned or to be initiated and provide recommendations for audit, policy, or procedural improvements to the Contracting Officer Representative (COR) of the TCRS contract for consideration of approval for process improvement. The TCRS contractor shall also provide recommendations for claims audit focused studies as a result of on going reviews.

C-3.3.3.1. The TCRS contractor shall analyze patterns, trends and variations in claims processing procedures among the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contracts that conflict or contradict with TRICARE policy. Results of these analyses will be provided to the TCRS, COR for consideration of the analysis results and coordinate for changes in procedures.

C-3.3.4. Management Controls

C-3.3.4.1. These materials shall be maintained in current status for the life of the contract. Desk instructions shall be maintained at each auditing work station. For those TCRS contractor work stations that require frequent reference, the TCRS contractor shall provide the following reference materials: procedure codes, diagnosis codes, and Drug Topic blue book pricing. Other reference materials shall be provided in each unit with a reasonable need, and in such quantity as to ensure the ease of availability needed to facilitate workflow.

C-3.3.4.2. The TCRS contractor shall ensure that the following is readily available to the contractor's staff.

C-3.3.4.2.1. Hardware and software which will enable staff to group, and price inpatient hospital claims processed under the TRICARE Diagnostic Related Groups (DRGs) reimbursement methodology. The hardware and software shall be adequately maintained and updated so that the TCRS contractor staff is able to comply with DRG grouping, and pricing procedures.

C-3.3.4.2.2. Hardware and software which will enable staff to accurately adjudicate claims subject to reimbursement under the Skilled Nursing Facility (SNF) perspective payment system (PPS).

C-3.3.4.2.3. Hardware and software which will enable contractor staff to group and price outpatient hospital claims processed under the TRICARE Outpatient Prospective Payment System (OPPS). The hardware, and software shall be adequately maintained (three versions), and updated (including quarterly updates) to ensure compliance with the OPPS pricing procedures. This software is available from 3M Health Information System, 100 Barnes Rd, Wallingford, CT 06492, 1-800-435-7776.

C-3.3.4.2.4. Hardware and software which will enable contractor staff to verify the accurate coding of claims. The claims auditing software (ClaimCheck or equivalent) shall be adequately maintained, and updated to ensure compliance with correct coding requirements, and pricing procedures. Claims processed under the Outpatient Prospective Payment System (OPPS) are not subject to this software.

C-3.3.4.2.5. Access to the TRICARE web-based Provider Reimbursement Rates and Restrictions. Access will enable contractor staff to verify the appropriate reimbursement rates (i.e., Ambulatory Surgery, Anesthesia, CHAMPUS Maximum Allowable Charge (CMAC), Diagnostic Related Groups (DRG), Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), Mental Health, and OPPS), or TRICARE reimbursement restrictions (i.e., Age/Gender restrictions) applicable to the audited claim.

C-3.3.4.2.6. Access through the General Inquiry DEERS (GIQD) web-based application to the Defense Enrollment Eligibility Reporting System (DEERS) and DEERS Catastrophic Cap and Deductible database to verify the eligibility of patients for whom audit claims are received. Connectivity to DEERS shall be in accordance with Chapter 1, of the TRICARE Systems Manual.

C-3.3.4.2.7. On-line access to the PEPR Care Detail Information System (PCDIS), TRICARE Encounter Provider (TEPRV) files, utilized to verify provider information (i.e., Area Wage Index, Provider Tax Identification Number, Medicare Number, etc.). TEPRV information will be utilized to verify the accurate reporting of provider information and correct reimbursement of hospital claims eligible for reimbursement under the DRG reimbursement methodology.

C-3.3.4.2.8. On-line access to the TED Audit (TA) Application. Access is required in order to input the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor errors, and to run quarterly, semi-annual, and AHCC initial audit and rebuttal reports. Audit reports are needed for both the Combined Payment sample and the Occurrence sample for the quarterly and semi-annual audits, and the Non-denied Payment sample report is needed for the AHCC audits.

C-3.3.4.3. The TA application generates the following reports that are required at the completion of the initial audit process:(See samples at Section J, Attachment J-3)

C-3.3.4.3.1. TED Audit Error Report - TA220-001

C-3.3.4.3.2. TED Audit Listing (Parts 1 & 2) - TA240-001

C-3.3.4.3.3. TED Audit Analysis of Error Report - TA260-001

C-3.3.4.3.4. TED Audit Summary Report - TA280-001

C-3.3.4.3.5. TED Audit Error Code Analysis - TA340-001

C-3.3.4.4. The TA application generates the following reports that are required at the completion of the rebuttal process (see samples at Section J, Attachment J-3):

C-3.3.4.4.1. TED Audit Summary Report - TA280-001

C-3.3.4.4.2. TED Audit Analysis of Errors Report – TA260-001

C-3.3.4.4.3. TED Audit Listing (Parts 1 & 2) – TA240-001

C-3.3.4.4.4. TED Audit Error Code Analysis – TA340-001

C-3.3.4.5. In order to provide ADP system access as required in the above, all equipment must be System Network Architecture (SNA) and IBM compatible, and have the capability to emulate a 3270 terminal. The Government shall obtain, implement, and maintain a telecommunications link between the contractor, and TMA. The cost for this telecommunications link will be the responsibility of the Government. The contractor shall be responsible for all equipment acquisition, installation, operation, and maintenance charges used at the contractor's site.

C-3.3.4.6. The TCRS contractor shall establish procedures to download data sent on CD/DVD containing audit documentation submitted by the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractors. The data will be in standard comma delimited ASCII file format with test fields enclosed in quotation marks and fields without a value will be represented by a single comma. The contractor must ensure this data is retrievable, allowing audit staff on-line access and hardcopy printing capabilities.

C-3.3.4.7. The TCRS contractor shall ensure that experienced Medical Review Staff at the Registered Nurse (RN), or Physician Assistant (PA) levels is available as needed to review claims involving questionable TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM, and ADDP contractor claim decisions on appropriateness of care issues. Physician consultation shall also be available for those issues that cannot be resolved at the RN level. Involvement of this type of consultation is expected to be minimal.

C-3.3.4.8. The TCRS contractor shall ensure that translation services are available to accurately review claims submitted by host nation providers in any format, including narrative format, and processed by the TOP contractor to the appropriate medical and diagnostic codes. The claims selected for audit will be based on health care rendered to TRICARE eligible beneficiaries outside the fifty United States and the District of Columbia, US territories of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands; medical care rendered to TOP enrolled beneficiaries in the United States; dental care received by Active Duty Service Members (ADSMs) enrolled in TOP Prime Remote; and Dental care rendered to ADSMs not enrolled in TOP Prime Remote, but require urgent/emergent dental care service while in a remote TOP location.

C-3.3.4.9. The TCRS contractor shall establish procedures to monitor, analyze, and report on, via claims audit (quarterly, semi-annual, annual health care costs, or separate claims sample), special claims processing, and benefit issues identified for review by TMA, e.g., providing TMA information, and analysis of TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor compliance with new payment methodologies, or recent benefit changes.

C-3.3.4.10. The TCRS contractor shall develop, and implement on-going staff training programs. The programs will provide instruction in all necessary areas focusing on TRICARE policy, procedures, and program changes to ensure the performance of the staff is at such a level that the performance standards of this contract are met.

C-3.3.4.11. The TCRS contractor shall provide, and maintain, during the term of the contract, an automated facsimile transceiver, the connecting telephone line, and all associated equipment needed to support transmission. The transceiver shall be compatible with the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractors, and TMA transceivers. The transceiver shall be operational not less than the period between 6:00 a.m. and 8:00 p.m., Mountain Time, Monday-Friday. The transceiver will be used to exchange priority documents with TMA and the TNEX MCS, T-3MCS, TDEFIC, TOP, TPHARM, and ADDP contractors.

C-3.3.4.12. The TCRS contractor shall ensure that information required for appropriate response to inquiries regarding audit, rebuttal, and AHCC costs findings, or status must be retrievable within 3 workdays following a request for information from TMA.

C-3.3.4.13. The TCRS contractor shall assign personnel to function as security administrator(s). The name(s) of the personnel must be supplied to TMA, upon award of the contract. The primary function of the security administrator(s) will be to provide the TMA Systems Security Officer with required information, and names of contractor personnel requiring Government ADP systems access. All contractor personnel must meet Government requirements for access to Government computers and/or systems. This includes providing fingerprints and completing a Questionnaire for Public Trust Positions (see Section J, Attachment J-9).

C-3.3.4.14. The TCRS contractor shall maintain their records in accordance with the United States Code (USC), 36 Code of Federal Regulation (CFR), 41 CFR, DoD Administrative Instruction 15 (AI-15), *Office of the Secretary of Defense (OSD) Records Management System – Administrative Procedures* and all references therein, and the TRICARE Operations Manual (TOM), Chapter 2. The TCRS contractor shall identify its Records Manager to the Contracting Officer within ten (10) days after contract award. Following contract award, the TCRS contractor shall schedule its Records Manager to attend the next available TMA records management class presented in Denver, Colorado. This is a five-day course that is not considered Contracting Officer Directed Travel. The Records Manager will be required to attend the course annually thereafter.

C-3.3.4.15. Records Security and Confidentiality. The TCRS contractor shall operate systems of records in support of the Department of Defense (DoD) Military Health System which requires obtaining, maintaining, and using sensitive and personal information strictly in accordance with controlling laws, regulations, DoD policy, and contract requirements.

C-3.3.4.16. In addition to the security requirements for contractor information systems/networks under Section C-3.3.4.19. below, the TCRS contractor shall also operate the system of records strictly in accordance with controlling laws, regulations, and DoD policy on confidentiality and privacy of individually identifiable information in accordance with 36 CFR 1222.48 and the TOM, Chapter 1, Section 5. The TCRS contractor shall also provide and document necessary and appropriate training of all workforce members (e.g., all employees, volunteers, trainees, and other persons who conduct and perform work for the contractor) in the proper handling and safeguarding of this information. Sensitive personal information must be protected, in terms of privacy and security during use, transmission, storage, destruction, and handling.

C-3.3.4.17. Pursuant to Federal Acquisition Regulation (FAR) Part 24 the requirements of the Privacy Act (5 U.S.C. 552a) and the Department of Defense Privacy Program (DoD 5400.11-R) are applicable to this contract and the systems of records operated and maintained by the contractor on behalf of the TMA. These systems of records are found at 65 Federal Register 30966 (Health Benefits Authorization Files, Medical/Dental Care and Claims Inquiry Files, Medical/Dental Claim History Files), 60 FR 43775 (USTF Managed Care System), 69 FR 50171 and 71 FR 16127 (Military Health Information System), and 64 FR 22837 (Health Affairs Survey Data Base). The records systems operated and maintained by TMA contractors are records systems operated and maintained by a DoD Component (TMA). (See TRICARE Operations Manual 6010.56-M, Chapter 1, Section 5, Chapter 2, Section 1, and Chapter 2, Section 2).

C-3.3.4.18. Health Insurance Portability and Accountability Act (Security and Privacy Rule) and Privacy Act. The TCRS contractor, shall comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements, specifically, the administrative simplification provisions of the law and the associated rules and regulations published by the Secretary, Health and Human Services (HHS), the DoD Health Information Privacy Regulation (DoD 6025.18-R), the HIPAA Security Compliance Memorandum (HA Policy 60-010), the Security Standards for the Protection of Electronic Protected Health Information and the requirements of the TOM, Chapter 19 and the TSM, Chapter 1.

C-3.3.4.19. The TCRS contractor shall enter into a Data Use Agreement (DUA) for data obtained from DoD Systems and applications and comply with DoD 6025.15-RM DoD Health Information Privacy Regulation, HIPAA Privacy Rule, and DoD 5400.11-R, DoD Privacy Program, by submitting DUA to the Privacy Office annually or until their contract is no longer in effect as required in the TSM and TOM.

C-3.3.4.20. The DIACAP is the standardized approach to the Certification and Accreditation (C&A) process within DoD. Each IS/network that undergoes DIACAP must have required security controls in place, must have documented the security components and operation of the IS/network and must successfully complete testing of the required security controls. The contractor shall comply with the Military Health System (MHS) DIACAP Checklist (Attachment J-11). The TCRS contractor shall ensure DIACAP documentation is available for review and is accurate. The contractor shall also implement an information assurance vulnerability management program providing mitigation from known vulnerabilities. The contractor, as part of that program, shall provide a primary and secondary point of contact for the MHS Information Assurance Vulnerability Alert (IAVA) Monitor, reference materials and IAVA/DIACAP tools can be obtained at: http://www.tricare.mil/tmis_new/ia.htm. The point of contact shall provide, upon receipt of a vulnerability message, an acknowledgment of receipt. The contractor shall mitigate the vulnerability, and upon mitigation, report compliance. Receipt and compliance messages to the government shall occur within the stipulated window, as stated in

the vulnerability message, and be directed to the MHS IAVA Monitor. Mitigation compliance for IA vulnerabilities shall be assessed on an annual basis.

C-3.3.4.21. Information Systems (IS)/Networks Personnel Security. The Government shall coordinate with the TCRS contractor to initiate and document all activities necessary to ensure compliance with the Personnel Security Program of DoD 5200.2-R and the TSM, Chapter 1. The contractor shall also ensure all personnel, to include subcontractors and/or their agents, comply with all systems access requirements, to include initial and refresher training at intervals designated by the Government.

C-3.3.4.22. System Security. The TCRS contractor shall acquire, develop and maintain the DoD Information Assurance Certification and Accreditation Process (DIACAP)(DODI 8510.01)(See Section J, Attachment J-12) documentation to ensure both initial and continued DIACAP Certification and Accreditation (C&A) for all contractor systems/networks processing or accessing Government sensitive information (SI) as required by TSM, Chapter 1. The TCRS contractor shall cooperate with and assist the Government's (MHS) DIACAP C&A Team during all phases of the C&A process by providing documentation in accordance with the MHS DIACAP C&A team schedule. The TCRS contractor shall also implement processes that meet the requirements of the TSM, Chapter 1 to ensure at least a MAC III Sensitive level of security protection for systems/networks that process MHS SI information under this contract. DIACAP certification generally takes 6 to 9 months to achieve and the Contractor shall plan the certification activity that results, at a minimum, in an Interim Authority To Operate (IATO) prior to accessing DoD data or interconnectivity with the Government systems and testing. (See DoD 8500.2 (Information Assurance Implementation) and DoD 5200.40.)

C-3.3.4.23. The TCRS contractor shall comply with DoD Information Assurance (DoD Directive 8500.1), MAC III, Sensitive Requirements found in DoD Information Assurance Implementation (DoD Instruction 8500.2), Privacy Act Program Requirements (DoD 5400.11), Personnel Security Program (DoD 5200.2-R) and the MHS AIS Security Policy Manual. The Contractor shall also comply with OMB M-06-16, Protection of Sensitive Agency Information. The TCRS contractor shall comply with DoD Minimum Security Requirements as outlined in the TSM, Chapter 1, Section 1.1.

C-3.3.4.24. Physical Security. The TCRS contractor will employ physical security safeguards for IS/networks involved in the operation of all of its systems to prevent the unauthorized access, disclosure, modification, destruction, use, etc., of Sensitive Information (SI) and to otherwise protect the confidentiality, and ensure the authorized use of SI. In addition, the TCRS contractor shall support a Physical Security Audit performed by the Government of its internal information management infrastructure using the criteria from the Physical Security Audit Matrix (see the TSM, Chapter 1, Section 6.0) The TCRS contractor will correct vulnerabilities identified by the Government according to the timeline established by the MHS IA Team.

C-3.3.4.25. Personnel Security. The TCRS contractor shall coordinate with the Government to ensure compliance with the Personnel Security Program of DoD 5200.2-R and the Systems Manual, Chapter 1. The TCRS contractor shall initiate and document all activities necessary to ensure compliance with the Personnel Security Program of DoD 5200.2-R and the TRICARE Systems Manual, Chapter 1. The TCRS contractor shall also ensure all personnel, to include subcontractors and/or their agents, comply with all system access requirements including initial and refresher training at intervals designated by the Government.

C-3.4. TASK IV – QUALITY CONTROL

C-3.4.1. Quality Assurance Audits. The TCRS contractor shall establish procedures and conduct ongoing quality assurance audits that review performance of its audits. The purpose of the quality assurance audits are to identify incorrect error determinations and omissions by auditors; inconsistencies among auditors; and any problem situation with audit procedures, guidelines, or operational and policy directives adversely affecting the accuracy and consistency of the audits. The results of these quality assurance audits shall be used for retraining of auditors and correcting auditing errors.

C-3.4.1.1. Sample Size. The quality assurance audit sample size at a minimum shall be ten percent (10%) of claims received for audit during the quarterly and semi-annual period for each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor and 10% of the claims received for the AHCC audits. A procedure shall be established by the TCRS contractor to randomly select claims for review without regard to claim type.

C-3.4.1.2. The TCRS contractor shall establish procedures to ensure all errors discovered as part of its ongoing quality assurance audits are corrected, input into the TA application, and appear on the audit report.

C-3.5. TASK V – TMA REVIEWS

C-3.5.1. TMA, Purchased Care Audit Section will conduct on-going review of the TCRS contractor audited claims. The purpose of these reviews is to identify incorrect error determinations, and omissions by the TCRS contractor. Five percent (5%) of the TCRS contractor audited claims will be randomly selected by TMA for these reviews.

C-3.5.1.1. At a minimum, TMA will conduct reviews once a year for each T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contract based on their individual quarterly contract period and semi-annual contract period. Reviews will be conducted for all AHCC audits. The list of claims to be reviewed will be forwarded to the TCRS contractor upon completion of the TCRS's contractor second rebuttal. Each year, review samples will be selected randomly and not necessarily on the same quarter or semi-annual period. If deemed necessary, TMA reserves the right to review additional audit/rebuttal samples for any TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.

C-3.5.1.2. As a result of the TMA reviews, the TCRS contractor shall not exceed a 3% error rate during the 1st two quarters of option period 1 performance. During option period 1's 3rd quarter and each subsequent quarter of the contract, the contractor shall not exceed a 1.5% error rate. The error rate for the payment error review is calculated by dividing the value of the total amount billed of the claims reviewed into the total payment error amount found by TMA. The error rate for the occurrence error review is calculated by dividing the total number of fields from the TEDs of the review claims into the number of occurrence errors found by TMA. The error rate for the payment error review of the annual health care cost audits will be calculated by dividing the value of the total Government cost of the claims into the total payment error amount found by TMA.

C-3.6. TASK VI – TRANSITIONS

C-3.6.1. For purposes of contract transition in and phase out, the incumbent Claims Audit Review Services (CARS) contractor shall be designated as the outgoing CARS contractor. Upon completion of the final CARS' contract option period, the outgoing CARS contractor shall assume all phase-out responsibilities. In the event an incumbent CARS contractor succeeds itself in an award of the new TCRS contract, these transition requirements may be waived, as appropriate, by the Contracting Officer.

C-3.6.2. Phase-In.

C-3.6.2.1. The TCRS contractor shall perform required start-up activities during the period between the date of contract award and the start-work date (beginning of option period 1), based on a plan for the phase-in accepted by the Government as part of this contract (see Section F-13).

C-3.6.2.2. Following the award of the TCRS contract, and as scheduled by the Contracting Officer, the TCRS contractor shall participate in a teleconference call with TMA representatives in Aurora, Colorado to conduct a Post Award Teleconference. The intent of the Post Award Teleconference is to discuss general contract administration issues, and the phase-in plan. Any necessary revisions to the phase-in plan shall be submitted by the TCRS contractor to the TMA, Contracting Officer for approval within 15 working days following the meeting.

C-3.6.2.3. The TCRS contractor shall hire sufficient experienced staff to oversee, and to accomplish implementation of each functional area, as scheduled, throughout the transition period, and shall acquire, as needed and when needed, all other resources to support the audit operations.

C-3.6.2.4. The Government shall conduct an Information System (IS)/Networks Personnel, System, Physical, Physical Security Assessment during the phase-in and as indicated in Sections C-3.3.4.20 through C-3.3.4.25.

C-3.6.3. Audit Process Benchmark Testing.

C-3.6.3.1. Prior to the start work date of the TCRS contract, the TCRS contractor shall demonstrate the ability of the staff and audit process to accurately audit claims. A benchmark test will be administered by TMA personnel at least 60 days prior to the start work date of the TCRS contract.

C-3.6.3.1.1. The benchmark test will consist of up to 300 audit claims. All aspects of the TCRS contractor's audit functions and procedures will be tested, including the TCRS contractor's ability to access DEERS to verify eligibility, access pricing files, catastrophic cap and deductible files, DRG Grouper, TRICARE ClaimCheck, TRICARE Outpatient Perspective Payment System (OPPS), TED Audit (TA) application (input errors and produce audit reports), receive electronic claims data, translation services, and the ability to respond to the benchmark team's findings via a rebuttal process.

C-3.6.3.1.2. At the time of the scheduled Benchmark Test a TMA Benchmark Team comprised of up to 5 members will arrive at the TCRS contractor's work site to conduct the testing and evaluate the TCRS contractor audit determinations on a claim by claim basis with the predetermined audit results.

C-3.6.3.1.3. The benchmark team will require a conference room that can be locked with a table large enough to accommodate up to five people. The conference room must also be equipped with two telephones with access to internal and outside telephone lines.

C-3.6.3.1.4. A minimum of 3 weeks prior to the audit benchmark test, a package will be sent to the TCRS contractor containing the dates of the test, information specific to the administration of the upcoming audit application benchmark, and hard copy documents of claims to be audited (with supporting documentation). The TCRS contractor will be required to audit the claims prior to the first day of the scheduled benchmark test.

C-3.6.3.1.5. On the 1st day of the benchmark, an entrance conference will be held with the appropriate benchmark team members, and TCRS contractor personnel to discuss ensuing events, expectations, and additional instructions, as required. At that time, the TCRS contractor will be required to provide the results of their audit of the claims to include, all TADRs, documentation to support errors assessed such as, screen prints of DEERs, provider or pricing file, and the audit reports.

C-3.6.3.1.6. All findings identified by the benchmark team regarding errors assessed by the TCRS contractor shall be presented back to the TCRS contractor as formal rebuttals on a daily basis. The TCRS contractor shall submit their response to these rebuttals in writing to the benchmark team on each succeeding day.

C-3.6.3.1.7. During the course of the benchmark testing, the benchmark team will brief TCRS contractor staff on the findings identified including audit errors that were not identified and assessed by the TCRS contractor. All appropriate TCRS contractor and benchmark team personnel will be present to answer any questions raised.

C-3.6.3.1.8. At the conclusion of the Benchmark Test, an exit conference may be held with the TCRS contractor staff to brief the TCRS contractor on all findings identified during the Benchmark. The Initial Benchmark Test Report will be forwarded to the TCRS contractor by TMA within 30 days of the last day of the test. For any audit claim errors assessed by the TMA Benchmark Team with which the contractor disagrees, a written description of the disagreement along with any specific reference must be included with the claims. The TCRS contractor's response to the Initial Benchmark Test Report shall be submitted to the TMA, Contracting Officer within 15 days from the date of the Initial Benchmark Test Report. TMA shall provide the Final Benchmark Test Report to the TCRS contractor within 15 days.

C-3.6.3.1.9. Prior to the start work date, all errors noted in the benchmark test are to be corrected by the contractor, and the results provided to the Contracting Officer's Representative (COR).

C-3.6.4. Phase-Out.

C-3.6.4.1. If the TCRS contractor is not the successful offeror on any successor contract, the TCRS contractor shall be designated the outgoing contractor, and shall be responsible for activities as required by the CO to facilitate transitions from the TCRS contractor's operations to operations under the successor contract to include the development of a detailed phase-out plan for remaining audits, staffing and other resources and activities under this contract, e.g.

disposition of documents, audit schedule, systems access (i.e., TA application, DEERS, PCDIS) and any government systems/applications interfaced during contract performance. (see Section F-12).

C-4.0. STANDARDS

C-4.1. The following are minimum acceptable levels of processing performance required in this contract. Unless, otherwise specified, the measurement of performance against the standards is accomplished at TMA on the basis of data received by TMA from the TCRS contractor’s weekly audit status reports, from the TMA reviews, and from TMA conducted on-site visits at the TCRS contractor’s place of business.

C-4.1.1. Quarterly and Semi-Annual/Annual Health Care Cost Audits

C-4.1.1.1. AUDITS

CATEGORY	STANDARD
Performance Audits: Quarterly and Semi-Annual Payment Error Audits	All quarterly, or semi-annual payment error audits will be completed, and received by the TCRS, Contracting Officer’s Representative (COR), TMA, Purchased Care Audit Section, not later than 60 days from the date of receipt of claims and supporting audit documentations from the T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
Performance Audits: Quarterly and Semi-Annual Occurrence Error Audits	All quarterly and semi-annual occurrence error audits shall be completed, and received by the TCRS, COR, TMA, Purchased Care Audit Section, not later than, 60 days from the date of receipt of claims information from the T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor claims.
Annual Health Care Cost Audits	All AHCC audits shall be completed, and received by the TCRS, COR, TMA, Purchased Care Audit Section, not later than 60 days from the date of receipt of claims information from the TNEX MCS or T-3 MCS contractor.

C-4.1.1.2. REBUTTALS

CATEGORY	STANDARD
Performance Audits: Quarterly and Semi-Annual Payment Error Audits	All quarterly and semi-annual payment error rebuttal findings shall be completed, and the reports received by the TCRS, COR, TMA, Purchased Care Audit Section, within 30 days from the date of receipt from the T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor.
Performance Audits: Quarterly and Semi-Annual Occurrence Error Audits	All quarterly and semi-annual occurrence error rebuttal findings shall be completed, and the reports received by the TCRS, COR, TMA, Purchased Care Audit Section, within 30 days from the date of receipt from the T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor.
Annual Health Care Cost Audits	All AHCC audit rebuttal findings shall be completed, and the reports received by the TCRS, COR, TMA, Purchased Care Audit Section, within 30 days from the date of receipt from the TNEX MCS or T-3 MCS contractor.

C-4.1.1.3. SECOND REBUTTALS

CATEGORY	STANDARD
Performance Audits: Quarterly and Semi-Annual Payment Error Audits	All quarterly and semi-annual 2nd rebuttal findings shall be completed, and the reports received by the TCRS, COR, TMA, Purchased Care Audit Section, within 15 days from the date of receipt from the T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor.

Performance Audits: Quarterly and Semi-Annual Occurrence Error Audits	All quarterly and semi-annual occurrence error 2ND rebuttal findings shall be completed, and the reports received by the TCRS, COR, TMA, Purchased Care Audit Section, within 15 days from the date of receipt from the T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor.
Annual Health Care Cost Audits	All AHCC 2nd rebuttal findings shall be completed, and the reports received by the TCRS, COR within 15 days from the date of receipt from the TNEX MCS, or T-3 MCS contractor.

C-4.1.1.4. REPORTS

CATEGORY	STANDARD
Analysis of Error Report	All Analysis of Errors Reports shall be completed and received by the TCRS, COR, TMA, Purchased Care Audit Section, within 5 workdays following completion of the 2nd rebuttal review of within 5 workdays from the notification from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractor or TMA that a 2nd rebuttal will not be submitted to the contractor.
Weekly Audit Status Report	A weekly status report of each audit, and rebuttal must be received by the TCRS, COR, TMA, Purchased Care Audit Section, by close of business each Monday for the previous week. A legible telefax copy or e-mail is acceptable.

C-4.1.1.5. QUALITY CONTROL

CATEGORY	STANDARD
Quality Assurance Audits	Results of the internal TCRS contractor quality assurance audits must be received by the TCRS, COR, TMA, Purchased Care Audit Section, within 10 days following completion of the review.

C-4.1.1.6. TMA REVIEW OF TCRS CONTRACTOR

CATEGORY	STANDARD
Payment Error Sample	During the 1st two quarters of option period 1 of the contract, the TCRS contractor shall not exceed a 3% error rate. During the 3rd quarter of option period 1, and each subsequent quarter of the contract, the TCRS contractor shall not exceed a 1.5% error rate. The error rate for quarterly and semi-annual audits is calculated by dividing the value of the total amount billed of the claims reviewed into the total payment error amount found by TMA. The error rate for the annual target health care cost audits is calculated by dividing the value of the total government pay amount of the claims reviewed into the total payment error amount found by TMA.
Occurrence Error Sample	During the 1st two quarters of option period 1 of the contract, the TCRS contractor shall not exceed a 3% error rate. During the 3rd quarter of option period 1 and each subsequent quarter of the contract, the TCRS contractor shall not exceed a 1.5% error rate. The error rate is calculated by dividing the total number of fields from the TADR of the reviewed claims into the number of occurrence errors found by TMA.
TCRS Rebuttal Reports	TCRS contractor rebuttals over the TMA review findings must be received in writing by the TCRS, COR, TMA, Purchased Care Audit Section, within 5 workdays from the date of receipt of the TMA report.

SECTION C
SCOPE OF WORK

C-5.0. DEFINITIONS, ACRONYMS AND ABBREVIATIONS Definitions are listed in the TRICARE Operations Manual (TOM), Appendix B. Acronyms and Abbreviations are listed in the TOM, Appendices, Section A and B.

C-6.0. GOVERNMENT FURNISHED PROPERTY AND SERVICES

C-6.1. Each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor will provide the claims for the performance of this contract.

C-6.2. The TRICARE Audit Detail Records (TADRs) will be provided to the TCRS contractor by TMA.

C-6.3. The Government will furnish access to DEERS and TRICARE Patient Encounter Processing and Reporting (PEPR) Applications (i.e., TA and PCDIS) only after the TCRS contractor and its subcontractor's staff and information system are compliant with Department of Defense Information Assurance Certification and Accreditation Process (DIACAP) and personnel security and clearance requirements. At the minimum, the Contractor and its subcontractors must obtain an Interim Authority To Operate (IATO) from the Information Management Technology and Reengineering (IMT&R) Office in compliance with the DEERS Interface Operational Description (IOD) by the contract start work date.

C-7.0. CONTRACTOR FURNISHED ITEMS. The TCRS contractor furnishes all necessary labor, materials, facilities, and equipment for the satisfactory performance of this contract.

C-8.0. DOCUMENTS. Authoritative guidance is found in the following documents, and guide the performance of this contract.

C-8.1. TRICARE provisions under the current MCS contracts:

Title 10, United States Code, Chapter 55
32 Code of Federal Regulations, Part 199

TRICARE Operations Manual (TOM) 6010.51-M, August 1, 2002, edition with manual changes 1 through 106.
TRICARE Policy Manual (TPM) 6010.54-M, August 1, 2002, edition with manual changes 1 through 130.
TRICARE Reimbursement Manual (TRM) 6010.55-M, August 1, 2002, edition with manual changes 1 through 121.
TRICARE Systems Manual (TSM) 7950.1-M, August 1, 2002, edition with manual changes 1 through 86.

DoD Health Information Privacy Regulation, DoD 6025.18-R, January 2003

C-8.2. TRICARE provisions under the T-3 MCS contracts:

Title 10, United States Code, Chapter 55
32 Code of Federal Regulations, Part 199

TRICARE Operations Manual (TOM) 6010.56-M, dated February 1, 2008, Entire Manual at Change 25.
TRICARE Policy Manual (TPM) 6010.57-M, dated February 1, 2008, Entire Manual at Change 37.
TRICARE Reimbursement Manual (TRM) 6010.58-M, dated February 1, 2008, Entire Manual at Change 37.
TRICARE Systems Manual (TSM) 7950.2-M, dated February 1, 2008, Entire Manual at Change 21.

DoD Health Information Privacy Regulation, DoD 6025.18-R, January 2003
DoD Privacy Program, DoD 5400.11-R, May 14, 2007

C-8.3. The TRICARE manuals and Code of Federal Regulations (CFR) are located on the TRICARE website, accessible through the TMA website at: <http://www.tricare.osd.mil>.

**SECTION D
PACKAGING AND MARKING**

D-1. PRESERVATION, PACKAGING AND MARKING

Preservation, packaging, and marking for all items delivered hereunder shall be in accordance with Federal and State laws for shipment. All written documentation and other related correspondence and material to be furnished to the Government shall be adequately packaged to ensure delivery at destination. Extra care must be taken in packaging original files to protect them from damage and to ensure that they do not become separated from the routing markings.

All beneficiary records used in any way by the Contractor must be protected as required by the Freedom of Information Act, the Privacy Act of 1974, the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act, and the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Beneficiary records must be protected, in terms of privacy and security during use, transmission, storage, destruction, and handling.

E-1. 52.246-1 CONTRACTOR INSPECTION REQUIREMENTS (APR 1984)
(Reference FAR 46.301)

E-2. 52.246.4 INSPECTION OF SERVICES—FIXED PRICE (AUG 1996)
(Reference FAR 46.304)

E-3. 252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2003)
(Reference DFARS 246.370)

E-4. Inspection and Acceptance

The final acceptance authority for the government shall be the Contracting Officer or as delegated by the Contracting Officer:

Department of Defense
TRICARE Management Activity/CMD
16401 E. Centretech Parkway
Aurora, CO 80011-9066

SECTION F
DELIVERIES OR PERFORMANCE

F-1. 52.242-15 STOP-WORK ORDER (AUG 1989)

(Reference 42.1305(b))

F-2. PERIOD OF PERFORMANCE

Base Period (Transition-In): Date of Award (30 June 2009) through 31 August 2010

If exercised, Option Periods 1, 2, 3, 4, and 5 will be:

Option Period 1	01 September 2010 through 31 August 2011
Option Period 2	01 September 2011 through 31 August 2012
Option Period 3	01 September 2012 through 31 August 2013
Option Period 4	01 September 2013 through 31 August 2014
Option Period 5	01 September 2014 through 31 August 2015

F-3. TIME OF DELIVERY

The TCRS contractor shall submit and/or complete the following items in accordance with Sections C, G, H, and J and the Attachments to this contract:

Transition (Phase-In and Benchmarking)

ITEM	QUANTITY	TIME
0001	1 Lot	Transition Phase-In
0002	1 Lot	Phase-In Defense Information Assurance Certification and Accreditation Process (DIACAP), Physical and Personnel Security
0003	1 Lot	Benchmark

Claims Audit Services:

ITEM	QUANTITY	TIME
1001	See Section B	As authorized by delivery orders issued during the first option period, 01 September 2010 – 31 August 2011
2001	See Section B	As authorized by delivery orders issued during the second option period, 01 September 2011 - 31 August 2012
3001	See Section B	As authorized by delivery orders issued during the third option period, 01 September 2012 - 31 August 2013
4001	See Section B	As authorized by delivery orders issued during the fourth option period, 01 September 2013 - 31 August 2014
5001	See Section B	As authorized by delivery orders issued during the fifth option period, 01 September 2014 - 31 August 2015

Contracting Officer Directed Travel

ITEM	QUANTITY	TIME
1004	See Section B	As funded by delivery orders, and as further directed, in writing, by the Contracting Officer, during the first option

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period, 01 September 2010 – 31 August 2011

2004	See Section B	As funded by delivery orders, and as further directed, in writing, by the Contracting Officer, during the second option period, 01 September 2011 – 31 August 2012
3004	See Section B	As funded by delivery orders, and as further directed, in writing, by the Contracting Officer, during the third option period, 01 September 2012 – 31 August 2013
4004	See Section B	As funded by delivery orders, and as further directed, in writing, by the Contracting Officer, during the fourth option period, 01 September 2013 – 31 August 2014
5004	See Section B	As funded by delivery orders, and as further directed, in writing, by the Contracting Officer, during the fifth option period, 01 September 2014 - 31 August 2015

Defense Information Assurance Certification and Accreditation Process (DIACAP)

ITEM	QUANTITY	TIME
1003	See Section B	As authorized by delivery order issued upon commencement of option period 1.
2003	See Section B	As authorized by delivery order issued upon commencement of an option period 2.
3003	See Section B	As authorized by delivery order issued upon commencement of an option period 3.
4003	See Section B	As authorized by delivery order issued upon commencement of an option period 4.
5003	See Section B	As authorized by delivery order issued upon commencement of an option period 5.

Transition (Phase-Out):

ITEM	QUANTITY	TIME
1004	1 Lot	As authorized by delivery order issued upon commencement of a transition/phase-out.
2004	1 Lot	As authorized by delivery order issued upon commencement of a transition/phase-out.
3004	1 Lot	As authorized by delivery order issued upon commencement of a transition/phase-out.
4004	1 Lot	As authorized by delivery order issued upon commencement of a transition/phase-out.
5004	1 Lot	As authorized by delivery order issued upon commencement of a transition/phase-out.

F-4. PLACE OF DELIVERY AND PROCEDURES

F-4.1. The TCRS contractor shall make delivery under this contract to the location(s) set forth in each delivery order issued.

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F-4.2. All certified and overnight mail for TRICARE Management Activity shall be delivered to: TRICARE Management Activity, Attention: Contracting Officer, 16401 E. Centretch Parkway, Aurora, CO 80011-9066. TMA Normal Delivery Hours are 7:30 a.m. to 4:00 p.m. (local time), Monday through Friday, excluding Federal holidays.

F-4.3. All Mail directed to the Contracting Officer (CO) shall be addressed to the TRICARE Management Activity, Attention: CO, 16401 E. Centretch Parkway, Aurora, CO 80011-9066.

F-4.4. All Mail directed to the Contracting Officer Representative (COR) shall be addressed to the TRICARE Management Activity, Attention: COR, 16401 E. Centretch Parkway, Aurora, CO 80011-9066.

F-5. NOTICE REGARDING LATE DELIVERY

In the event the TCRS contractor anticipates difficulty in complying with the delivery order schedule, the contractor shall immediately notify the Contracting Officer (CO) or the Contracting Officer's Representative (COR), in writing, giving pertinent details, including the date by which it expects to make delivery; provided, however, that this notification shall be informational only in character and that receipt thereof shall not be construed as a waiver by the Government of any contract delivery schedule, or any rights or remedies provided by law or under this contract.

F-6. RESERVED

F-7. RESERVED

F-8. REPORTS/AUDITS/REVIEWS

F-8.1. The TCRS contractor shall provide to the TCRS COR at TRICARE Management Activity (TMA), PCAS, 16401 East Centretch Parkway, Aurora, CO 80011-9066 the following reports:

F-8.1.1. Quarterly Payment Error Audit reports for each T-3 Managed Care Support (MCS), TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) or TRICARE Overseas Program (TOP) contractor. Quarterly payment error reports shall be received by the TCRS COR, not later than 60 days from the date of receipt of the audit claims documentation submitted by the T-3 MCS, TDEFIC, or TOP contractors.

F-8.1.2. Quarterly Occurrence Error Audit reports for each of the T-3 MCS, TDEFIC, or TOP contractors. Quarterly occurrence error reports shall be received by the TCRS COR, not later than 60 days from the date of receipt of the audit claims documentation submitted by the T-3 MCS, TDEFIC or TOP contractors.

F-8.1.3. Semi-Annual Payment Error Audit reports for each TRICARE Pharmacy (TPHARM), or Active Duty Dental Program (ADDP) contractor. Semi-annual payment error reports shall be received by the TCRS COR, not later than 60 days from the date of receipt of the audit claims documentation submitted by the TPHARM or ADDP contractor.

F-8.1.4. Semi-Annual Occurrence Error Audit reports for each for each TPHARM, or ADDP contractor. Semi-annual occurrence error reports shall be received by the TCRS COR, not later than 60 days from the date of receipt of the audit claims documentation submitted by the TPHARM or ADDP contractor.

F-8.1.5. Annual Health Care Cost Audits (AHCC) Payment Error Reports for each TNEX-MCS or T-3 MCS contractor. AHCC payment error reports shall be received by the TCRS COR, not later than 60 days from the date of receipt of the audit claims documentation submitted by the TNEX MCS, or T-3 MCS contractor.

F-8.1.6. A Weekly TRICARE Audit Workload report shall be received by the TCRS COR. that provides the following information for each, quarterly, semi-annual and annual health care cost audit being performed for each audited contractor.

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- (a) Date Internal Control Number (ICN) list received by the TCRS contractor.
- (b) Date claims and audit documentation received from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor
- (c) Number of claims for audit received from each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
- (d) Date initial audit completed (including issuance of error reports)
- (e) Date Audit Results Mailed to TMA
- (f) Date rebuttals received from TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
- (g) Number of rebuttals responses received from each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
- (h) Date rebuttal response mailed to TMA
- (i) Date second rebuttal request received from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
- (j) Number of second rebuttal responses received from each TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contractor.
- (k) Date second rebuttal review response mailed to TMA
- (l) Date Analysis of Errors completed and mailed to TMA

F-8.1.7. Weekly Status Report of Closeout Audits and Phase-out activities to TMA beginning on the 30th calendar day following the notice of award of the follow-on contract by TMA. This shall be conducted in accordance with specifications of the official transition schedule.

F-8.1.8. Frequency and Timing of TCRS Contractor Quality Assurance Audits. The first T-3 MCS, TDEFIC and TOP contract quarter and the first TPHARM and ADDP semi-annual contract period, shall be audited for each T-3 MCS, TDEFIC, TOP, TPHARM and ADDP contract. Following the first T-3 MCS, TDEFIC and TOP contract quarter the reviews will be conducted on an ongoing basis at least every other contract quarter for each T-3 MCS, TDEFIC, and TOP contract. Following the first TPHARM and ADDP semi-annual contract period the reviews will be conducted on an ongoing basis at least every other semi-annual audit period. All AHCC audits must be reviewed. The reviews must be conducted while the audit is in progress. Results of these reviews and proposed corrective actions must be received by the COR within 10 days following the completion of the review

F-9. MEETINGS

F-9.1. The TCRS contractor shall attend meetings as directed by the CO in support of CLINs 1002, 2002, 3002, 4002 and 5002.

F-9.2. The CO's directed travel (CLINs 1002, 2002, 3002, 4002 and 5002) expenses and per diem shall be reimbursed in accordance with the Government's Joint Travel Regulations (see <http://www.dtic.mil/perdiem/>), which establishes per diem rates during the period of travel, and shall be the maximum per diem rate allowed for lodging, meals, and individual expenses that shall be reimbursed under Contracting Officer Directed Travel.

F-9.3. The incoming TCRS contractor shall attend a meeting at the outgoing CARS contractor location with TMA within 5 to 10 days following the notice of award by TMA for the purpose of developing a schedule of phase-out/ phase-in activities. TMA shall notify all parties as to the exact date of the meeting.

F-10. REBUTTALS, (ANALYSIS, SCHEDULES AND CLAIMS)

F-10.1. Deliverables shall be delivered to the TCRS COR, TMA, PCAS, 16401 East Centretch Parkway, Aurora, CO 80011-9066.

F-10.2. Establish a schedule to ensure that payment or occurrence error rebuttal findings for the Quarterly, Semi-Annual or AHCC audit, are completed and the final report is received by the TCRS COR within 30

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days from the date of receipt from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM, or ADDP contractor.

F-10.3. Establish a schedule to ensure the requests for second payment or occurrence error rebuttal review findings for Quarterly, Semi-Annual, or AHCC audits are completed and the final report is received by the TCRS COR within 15 days from the date of receipt from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM, or ADDP contractor.

F-10.4. Analysis of Recurring Occurrence and Payment Errors Report. The TCRS contractor shall provide a written analysis of quarterly, semi-annual and AHCC audit findings. The analysis report should include a discussion of recurring payment or occurrence errors and any high dollar errors. The analysis report should also include any observed inconsistency in TRICARE direction provided in the TRICARE Reimbursement, TRICARE Operations, TRICARE Systems or TRICARE Policy Manuals. The written analysis must be completed and received by the TCRS COR within 5 workdays following the completion of the 2nd rebuttal review or within 5 workdays from the notification from the TNEX MCS, T-3 MCS, TDEFIC, TOP, TPHARM or ADDP contractors or TMA that a 2nd rebuttal will not be submitted to the TCRS contractor.

F-10.5. Revised Payment or Occurrence Error Reports. The TCRS contractor shall ensure all payment or occurrence errors removed by TMA as a result of a TMA review, are removed from the TED Audit (TA) system and that revised payment or occurrence error reports are received by the TCRS COR within 5 workdays from the date direction to remove error is received.

F-10.6. All documentation must be held for 90 days following the completion of the TMA review or additional TMA managed care contractor rebuttal reviews. Following the 90 days, all documentation must be microfilmed onto 16 millimeter film rolls or imaged. Should the contractor choose to use an optical digital data disk system, the guidelines in the TOM, Chapter 2, Section 3, Microfilming, Digital Imaging, and Optical Data Disk Storage, must be followed. The microfilm or imaged records shall be mailed to the TCRS COR for storage. All documentation pertaining to each audit must be microfilmed or imaged simultaneously on one roll/disk or succeeding rolls/disks. Following notification by TMA, PCAS, that the microfilm/disks have been received and are acceptable, all documentation shall be destroyed by shredding.

F-10.7. TMA Reviews. The TCRS contractor shall forward legible copies of claims selected for TMA review; all supporting claims documentation used during the audit process and the TED Audit Detail Report (TADR) with the auditors comments, to the TCRS COR within 7 days of the date of receipt of the claims list.

F-10.7.1. Rebuttals to TMA Review findings must be addressed in writing to the TCRS COR within 5 workdays from the date of receipt of the TMA report.

F-11. MANAGEMENT CONTROLS

The TCRS contractor shall develop a set of auditing guidelines, desk instructions, and reference material for internal use by the TCRS contractor. The TCRS contractor shall provide to the TCRS COR, no later than 10 days prior to the start work date of the TCRS contract (reference Section C.3.6.2.1), a set of their auditing guidelines, their desk instructions, and reference materials. The TCRS contractor shall provide, within 5 days of publication, any changes/updates to the TCRS contractors auditing guidelines, desk instructions, and reference materials.

F-12. TRANSITION/PHASE-OUT

F-12.1. A detailed phase-out plan for all of the TCRS contractor's remaining audits, staffing level requirements, and other resource needs for each function shall be provided by the outgoing contractor to the CO within 10 working days after notification by the CO.

SECTION F
DELIVERIES OR PERFORMANCE

F-12.2. Final Processing. Within 300 calendar days following the expiration date of the TCRS contract the outgoing TCRS contractor shall have completed all audits and rebuttals received during the contract period through the TMA review and issuance of the final report.

F-13. TRANSITION/PHASE-IN

F-13.1. The detailed phase-in plan is required to be submitted as part of the TCRS contractor's proposal and will be discussed during the transition meeting.

F-13.2. Prior to the start work date, the TCRS contractor shall participate in and achieve compliance with the Government conducted Physical Security Assessment in compliance with the Privacy Act, the Freedom of Information Act, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and applicable DoD/TMA Regulations, Instructions, and Directives.

F-13.3. Prior to the start work date of the TCRS contract, the TCRS contractor shall demonstrate the ability of the staff and audit process to accurately audit claims. The TCRS contractor shall pass a benchmark test that will be administered by TMA personnel at least 60 days prior to the start work date of the TCRS contract.

F-13.3.1. All findings identified by the benchmark team regarding errors assessed by the TCRS contractor shall be presented back to the TCRS contractor as formal rebuttals on a daily basis. The TCRS contractor shall submit their response to these rebuttals in writing to the benchmark team on each succeeding day.

F-13.3.2. The benchmark team will brief the TCRS contractor staff on the findings identified including audit errors that were not identified and assessed by the contractor. All appropriate TCRS contractor and benchmark team personnel will be present to answer any questions raised.

**SECTION G
CONTRACT ADMINISTRATION DATA**

G-1. CONTRACT ADMINISTRATION

G-1.1. All contract administration matters will be handled by the following individuals:

CONTRACTOR: Meridian Resource Company, LLC
20725 Watertown Road
Waukesha, WI 53186

Attn: [REDACTED]

Telephone: [REDACTED]

Fax Phone: [REDACTED]

GOVERNMENT: Contracting Officer, TCRS
Department of Defense
TRICARE Management Activity
Contract Management
16401 East Centretech Parkway
Aurora, CO 80011-9066

Telephone: 303-676-3428

FAX Phone: 303-676-3987

G-1.2. Contract administration will be performed by Contract Management, TRICARE Management Activity or as delegated to other Government agencies by the Contracting Officer. The Government points of contact during the performance of this contract will be:

G-1.2.1. Contracting Officer (CO): The CO is responsible for administration of this contract and is solely authorized to take action on behalf of the Government which may result in changes to the terms of this contract, including deviation from Section C.

G-1.2.2. Contracting Officer's Representative (COR): The CO will designate an individual to act as the COR. The COR does not have the authority to act on behalf of the CO beyond his or her specific written delegation of authority. The COR does not have the authority to change contract requirements. The TCRS contractor will receive copies of the delegation letters which will delineate the scope of authority of the COR.

G-2. CONTRACTOR REMITTANCE VIA ELECTRONIC FUNDS TRANSFER

The payment method to the TCRS contractor shall be through Electronic Funds Transfer (EFT) in accordance with FAR 52.232-34, "Payment by Electronic Funds Transfer--Other Than Central Contractor Registration" in Section I.

Contractor's Name: Meridian Resource Company
Mailing Address: 20725 Watertown Road
Waukesha, WI 53186
Phone: (262) 312-8005
FAX Phone: (262) 312-8090
Bank Name: [REDACTED] (b)(4)
Bank Address: [REDACTED] (b)(4)
Bank Account No.: [REDACTED] (b)(4)
Routing ransit #: [REDACTED] Type of Account: [REDACTED] (b)(4)

G-3. PAYMENTS

SECTION G
CONTRACT ADMINISTRATION DATA

Payments shall be in accordance with FAR 52.232-1, "Payments"; 52.232-8, "Discounts for Prompt Payment"; 52.232-18, "Availability of Funds"; 52.232-19, "Availability of Funds for the Next Fiscal Year"; and 52.232-25, "Prompt Payment" as listed in Section I.

G-4. GOVERNMENT POINT OF CONTACT

Subsequent to award, the Contracting Officer's Representative (COR) will be appointed and the specific duties to be performed by the COR will be detailed. One or more Technical Representatives may be appointed. The TCRS contractor shall work directly with the CO, COR, and Technical Representatives on those matters delegated to them. All points of contact will be provided following contract award and updated as required. The ultimate responsibility for overall administration of the contract rests with the CO and the COR at the TRICARE Management Activity.

G-5. SUBMISSION OF INVOICE

G-5.1. The TCRS contractor shall submit invoices to:

Department of Defense
TRICARE Management Activity
Attn: Finance and Accounting Branch (F&AB)
16401 E. Centretech Parkway
Aurora, CO 80011-9066

G-5.2. Invoices for all services provided shall be submitted monthly or after completion of the specified tasks. The TCRS contractor shall submit an invoice on a DD Form 250 (See Section J, Attachment J-8), prepared in an Original and 1 copy. Invoices shall be submitted by email with original to the F&AB and one (1) copy to the CO within 5 work days after the last day of each month. All services invoiced for payment shall be in accordance with instructions for completion of DD Form 250. Where there is insufficient space on DD Form 250, a separate sheet(s) detailing the summary information from the form shall be attached (DD Form 250c). For each itemization by Contract Line Item Number (CLIN), the invoice shall reference the Delivery Order(s) under which funds were obligated.

G-5.2.1. The TCRS contractor shall invoice for services provided under CLINs 0001, 0002, and 0003 at the end of the Transition-In period. Invoices for Transitions, including Phase In, Benchmarking, and Phase Out (ref. G-5.2.5 below) shall be submitted upon completion of services required under each respective CLIN.

G-5.2.2. Claims Audit Services. Invoices shall be provided upon completion based on actual claims reviewed for the delivery orders and the price per claim specified in Section B. The contractor shall invoice for services provided under Option Period CLINs X001AA, AB, AC, AD and AE . The invoice shall separately itemize the number of completed audits, the unit price, and the total price per CLIN.

G-5.2.3. Contracting Officer Directed Travel. Invoice (original and one copy), with supporting documentation shall be submitted following the completion of travel. All invoices for Contracting Officer directed travel, under Option Period CLINs X002, copies of receipts for all lodging expense, transportation expenses, and single personal or other expense of \$75.00 or more shall be provided with the invoice and shall be reimbursed in accordance with the Government's Joint Travel Regulations. Current Government established per diem rates can be viewed on-line at <http://www.dtic.mil/perdiem> and shall be the maximum per diem rate allowed for lodging, meals, and individual expenses that shall be reimbursed under Contracting Officer's directed travel.

The contractor shall immediately notify the Contracting Officer in writing if it is determined that the cumulative costs for the travel under Option Period CLINs X002 will exceed \$10,000 for any contract year. The government shall not be liable for any costs incurred by the contractor for this CLIN, which are in excess

SECTION G
CONTRACT ADMINISTRATION DATA

of \$10,000 per contract year, unless the contractor obtains prior written approval from the Contracting Officer to exceed this amount.

G-5.2.4. The contractor shall invoice in accordance with Schedule prices for services in obtaining DIACAP certification, under Option Period CLINs X003, on a monthly basis.

G-5.2.5. At the direction of the Government, the contractor shall invoice for services provided under Option Period CLINs X004 - Phase-out at the end of the Transition-out period.

G-5.2.6. All Points of Contact will be provided following contract award, and updated as required.

G-6. The contractor agrees to commit to adhere in their entirety and throughout the life of the contract to the Records Management requirements set forth in the TRICARE Operations Manual, Chapter 2.
(<http://www.tricare.osd.mil/tricaremanuals/>)

G-7. OVERPAYMENTS

G-7.1. TMA reserves the right to collect overpayments made to the Contractor from the payments due to the Contractor (including any other contract payments due the Contractor from any other contracts it may hold with TMA).

G-8. ORDERING ACTIVITY

G-8.1. The TMA-Aurora Procuring Contracting Officer (PCO) has the authority to issue delivery orders or task Orders under the Requirements CLINs of this Contract.

G-8.2. The PCO will issue delivery orders or task orders on DD Form 1155, Order for Supplies or Services. Orders may be placed by facsimile transmission, mail, or courier (See Section J, Attachment J-7).

G-9. PAYMENTS

G-9.1. Payments will be made by EFT. The Payment Office is Defense Agency Financial Services, ATTN: DFAS-IN/AKB, 8899 E. 56th Street, Indianapolis, IN 49249-1325.

**SECTION H
SPECIAL CONTRACT REQUIREMENTS**

H-1. KEY PERSONNEL

H-1.1. The TCRS contractor shall maintain and provide to the TMA COR the resumes of key personnel (as defined by the TCRS contractor) to this contract. Any key personnel replacement shall be at least as well qualified as the individual originally holding the position vacated and the TCRS contractor must receive Government approval to change such key personnel. The TCRS contractor shall ensure that its staff and subcontractors (if any) are thoroughly trained and knowledgeable regarding the program and the requirements of this contract. Any new key personnel must have prior approval of the Contracting Officer (CO) before they begin work. The TCRS contractor shall, within 3 working days, notify the CO and COR, in writing, of key staff who resigns or otherwise is no longer associated with the contract.

H-1.2. The resumes must contain the individuals' name, mailing address, phone number, e-mail address, education, and experience.

H-2. DISSEMINATION OF INFORMATION

There shall be no dissemination or publication, except within and between the TCRS contractor, subcontractors, and the TRICARE Management Activity (TMA) of information developed under this contract or contained in the reports to be furnished pursuant to this contract without prior written approval from the Contracting Officer.

H-3. FREEDOM OF INFORMATION ACT (FOIA)

The contractor shall provide assistance to TMA in resolving and pursuing FOIA requests involving the contractor's proposal submitted under the solicitation for this contract or FOIA issues relative to the contract. The contractor shall provide representatives at the times and places as directed by the Contracting Officer to complete actions under FOIA. If a FOIA requires contractor involvement, a separate delivery order under the Contracting Officer directed travel CLIN will be issued for that effort.

H-4. OFFICE LOCATION

The contractor shall perform all services related to this contract at a location(s) that ensures for the confidentiality and security of Protected Health Information (PHI) and must be DIACAP compliant per Section C requirements of this RFP. These requirements must be met at any location(s) where the transfer of such information occurs.

H-5. CONFIDENTIALITY

H-5.1. All beneficiary records, including Beneficiary History and Deductible Files as described in the MCSC Operations Manual, Chapter 1, Section 5 and the TRICARE Operations Manual, and any other claims data used in any way by the contractor must be protected as required by the Freedom of Information Act, the Privacy Act of 1974 (as implemented by Department of Defense Regulation 5400.11-R), the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act, the Health Insurance and Portability Act (HIPAA) of 1996, and 10. U.S.C. 1102. With regard to confidentiality, the contractor shall comply with the TRICARE Operations Manual, Chapter 1, Section 5 and the TRICARE Operations Manual. Records must be protected, in terms of privacy and security during use, transmission, storage, destruction, and handling. The TCRS contractor agrees to all provisions of the Business Associate Addendum Section J, Attachment J-13). Unless otherwise provided herein as approved by the Contracting Officer, all records shall be used only in the performance of the contract.

H-5.2 Under the Privacy Act, it takes a court order for TMA records to be released. A subpoena for TMA records is not sufficient for release. The TCRS contractor shall forward all subpoenas for documents that encompass any TMA records to the COR for coordination of release with the TMA, Office of General Counsel (OGC). The COR shall coordinate release or nonrelease with the TMA/OGC and through the CO notify the contractor in writing the determination of the TMA/OGC. The TCRS contractor shall not release any TMA records without approval of the TMA/OGC.

H-6. CONTRACTING OFFICER DIRECTED TRAVEL

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SECTION H
SPECIAL CONTRACT REQUIREMENTS

The Contracting Officer may direct the contractor, in writing, to travel to Government offices or other sites to participate in meetings or other related activities, in performance of this contract. Travel expenses for such travel must be in accordance with the Joint Travel Regulations (JTR) and will be reimbursed by the Government under the Contracting Officer Directed Travel CLINs. The contractor shall immediately notify the Contracting Officer in writing if it's determined that the cumulative costs for such directed travel will exceed \$10,000 for any contract period. The Government shall not be liable for such costs that are in excess of \$10,000 for any contract period unless the contractor obtains prior written approval from the Contracting Officer to exceed this amount. This clause does not apply to contractor travel that is specifically required by the contract or travel made at the option of the contractor.

H-7. CONFLICT OF INTEREST

H-7.1. The TCRS' attention is directed to the Federal Acquisition Regulation (FAR) Subpart 9.5, "Organizational and Consultant Conflicts of Interest."

H-7.2. Services required by the Government under this contract include tasks which result in the TCRS contractor, its personnel and subcontractors, to review health care claims processed by TRICARE contractors and to have access to procurement sensitive information as defined by Title 41 United States Code, Section 423. Such tasks may include, but are not limited to, personal and substantial involvement in the support of subsequent competitive acquisitions by appropriated funded contracts for services.

H-7.3. In order to avoid any organizational conflict of interest, or the appearance thereof, the TCRS contractor or any of its subcontractors shall not be a current TRICARE contractor [TNEX and T-3 Managed Care Support (MCS), TRICARE Dual-Eligible Fiscal Intermediary Contract (TDEFIC), TRICARE Overseas Program (TOP), Active Duty Dental Program (ADDP), and TRICARE Pharmacy (TPHARM)] or first or second tier subcontractor to such contracts. The TCRS contractor shall not offer in response to any other TRICARE solicitation [TNEX and T-3 MCS, TDEFIC, ADDP, TOP, TPHARM], nor shall it be eligible for award of any other such TRICARE contract, nor serve as a consultant or subcontractor to another TRICARE contractor [TNEX and T-3 MCS, ADDP, TOP, TDEFIC, TPHARM].

H-7.4. The restriction shall remain in effect for a period of 6 months from the date of final acceptance of all work under this Contract and shall apply as well to any subsidiary, affiliate, joint venture, merged party, successor or assignee of the TCRS contract. This restriction shall not apply to any subsequent procurement for services of the type required by this Contract.

H-8. TECHNICAL DATA

The data contained in all reports shall be owned by the Government.

H-9. SPECIAL PROVISION - PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION

H-9.1. *Definitions.* As used in this Provision:

- *Individual* has the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- *Privacy Rule* means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- *Protected Health Information* has the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by the contractor from or on behalf of The Government.
- *Required by Law* has the same meaning as the term "required by law" in 45 CFR 164.501.
- *Secretary* means the Secretary of the Department of Health and Human Services or his/her designee.

Terms used, but not otherwise defined, in this Provision shall have the same meaning as those terms in 45 CFR 160.103 and 164.501.

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SECTION H
SPECIAL CONTRACT REQUIREMENTS

H-9.2. The TCRS contractor agrees to not use or further disclose Protected Health Information other than as permitted or required by the Contract or as Required by Law.

H-9.3. The TCRS contractor agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Contract.

H9.4. The TCRS contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to the contractor of a use or disclosure of Protected Health Information by the contractor in violation of the requirements of this Contract.

H-9.5. The TCRS contractor agrees to report to the Government any use or disclosure of the Protected Health Information not provided for by this Contract.

H-9.6. The TCRS contractor agrees to ensure that all entities, including any agents or subcontractors, to whom it provides Protected Health Information that was received from the Government, or created or received by the contractor on behalf of the Government agrees to the same restrictions and conditions that apply through this Contract to the TCRS contractor with respect to such information.

H-9.7. The TCRS contractor agrees to provide access, at the request of the Government, and in the time and manner designated by the Government to Protected Health Information in a Designated Record Set, to the Government or, as directed by the Government, to an Individual in order to meet the requirements under 45 CFR 164.524.

H-9.8. The TCRS contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Government directs or agrees to pursuant to 45 CFR 164.526 at the request of the Government or an Individual, and in the time and manner designated by the Government.

H-9.9. The TCRS contractor agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by the contractor on behalf of, the Government, available to the Government, or at the request of the Government to the Secretary, in a time and manner designated by the Government or the Secretary, for purposes of the Secretary determining the Government's compliance with the Privacy Rule.

H-9.10. The TCRS contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for the Government to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

H-9.11. The TCRS contractor agrees to provide to the Government or an Individual, in time and manner designated by the Government, information collected in accordance with this Provision of the Contract, to permit the Government to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

H-9.12. General Use and Disclosure Provisions

H-9.12.1. Except as otherwise limited in this Provision, the contractor may use or disclose Protected Health Information on behalf of, or to provide services to, the Government for the following purposes, if such use or disclosure of Protected Health Information would not violate the Privacy Rule or the Department of Defense Health Information Privacy Regulation if done by the Government: For all purposes necessary for performance of this contract.

H-9.13. Specific Use and Disclosure Provisions

H-9.13.1. Except as otherwise limited in this Provision, the contractor may use Protected Health Information for the proper management and administration of the contract or to carry out the legal responsibilities of the contract.

H-9.13.2. Except as otherwise limited in this Provision, the contractor may disclose Protected Health Information for the proper management and administration of the contract, provided that disclosures are required by law, or the contractor obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the

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SECTION H
SPECIAL CONTRACT REQUIREMENTS

person, and the person notifies the contractor of any instances of which it is aware in which the confidentiality of the information has been breached.

H-9.13.3. Except as otherwise limited in this Provision, the contractor may use Protected Health Information to provide Data Aggregation services to the Government as permitted by 45 CFR 164.504(e)(2)(i)(B).

H-9.13.4. The contractor may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1).

H-9.14. Obligations of the Government

H-9.14.1. Provisions for the Government to Inform the contractor of Privacy Practices and Restrictions

H-9.14.1.1. Upon request the Government shall provide the contractor with the notice of privacy practices that the Government produces in accordance with 45 CFR 164.520, as well as any changes to such notice.

H-9.14.1.2. The Government shall provide the contractor with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect the contractor's permitted or required uses and disclosures.

H-9.14.1.3. The Government shall notify the contractor of any restriction to the use or disclosure of Protected Health Information that the Government has agreed to in accordance with 45 CFR 164.522.

H-9.15. Permissible Requests by the Government

H-9.15.1. The Government shall not request the contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by the Government, except for providing Data Aggregation services to the Government and for management and administrative activities of the contractor as otherwise permitted by this Provision.

H-9.16. Termination. A breach by the contractor of this Provision, may subject the contractor to termination under any applicable default or termination provision of this Contract.

H-9.16.1. If this contract has records management requirements, the records subject to the Provision should be handled in accordance with the records management requirements. If this contract does not have records management requirements, the records should be handled in accordance with H-11.16.2. and H-11.16.3. below.

H-9.16.2. If this contract does not have records management requirements, except as provided in H-11.16.3. of this section, upon termination of this Contract, for any reason, the contractor shall return or destroy all Protected Health Information received from the Government, or created or received by the contractor on behalf of the Government. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of the contractor. The contractor shall retain no copies of the Protected Health Information.

H-9.16.3. If this contract does not have records management provisions and the contractor determines that returning or destroying the Protected Health Information is infeasible, the contractor shall provide to the Government notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Government and the contractor that return or destruction of Protected Health Information is infeasible, the contractor shall extend the protections of this Contract to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the contractor maintains such Protected Health Information.

H-9.17. Miscellaneous

H-9.17.1. Regulatory References. A reference in this Provision to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.

H-9.17.2. Survival. The respective rights and obligations of Business Associate under the Termination terms at H-11.16. of this Provision shall survive the termination of this Contract.

H-9.17.3. Interpretation. Any ambiguity in this Provision shall be resolved in favor of a meaning that permits the Government to comply with the Privacy Rule.

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SECTION H
SPECIAL CONTRACT REQUIREMENTS

H-10. SPECIAL PROVISION - SECURITY OF PROTECTED HEALTH INFORMATION

H-10.1. *Definitions.* As used in this Provision:

- *Electronic Protected Health Information* has the same meaning as the term “electronic protected health information” in 45 CFR 160.103.
- *Secretary* means the Secretary of the Department of Health and Human Services or his/her designee.
- *Security Rule* means the Security Standards for the Protection of Electronic Protected health Information at 45 CFR part 160 and part 164, subpart C.

Terms used, but not otherwise defined, in this Provision shall have the same meaning as those terms in 45 CFR 160.103, 164.103, and 164.304.

H-10.2. The contractor agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Government.

H-10.3. The contractor agrees to report to the Government any security incident of which it becomes aware.

H-10.4. The contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Government, agrees to the same restrictions and conditions that apply through this Contract to the contractor with respect to such information.

H-10.5. The contractor agrees to make internal practices, books, and records relating to the security of Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Government, available to the Government, or at the request of the Government to the Secretary, in a time and manner designated by the Government or the Secretary, for purposes of the Secretary determining the Government’s compliance with the Security Rule.

H-11. ORDERING

All orders shall be authorized by issuance of a delivery order to the contract by the Contracting Officer.

H-12. PRIOR CONSENT TO SUBCONTRACTS REQUIRED

The TCRS contractor may enter into any subcontract which is necessary for the performance of this contract subject to compliance with appropriate contract clauses and terms. The TCRS contractor shall not enter into any new subcontract with third parties to perform any of the tasks, functions, and duties set forth in Section C, without the prior written consent of the Contracting Officer. However, this requirement shall not apply if the Contracting Officer has approved the TCRS contractor’s purchasing system pursuant to procedures detailed in FAR Subpart 44.3 and DFARS 244.3. Copies of executed subcontracts shall be submitted to the Contracting Officer upon request. The TCRS contractor must also follow the provisions of Section I, and FAR 52.244-5.

H-13. NOTICE OF OPTION TO EXTEND SERVICES

When in accordance with the contract clause entitled, "Option to Extend Services", FAR 52.217-8, the Government exercises an option to extend services, the required written notice to the contractor shall be given within thirty (30) calendar days of the expiration date of the then current contract period. This notice, and the clause under which it is issued, are in addition to, and do not negate any rights the Government has in exercising an option in accordance with the clause entitled, "Option to Extend the Term of the Contract", FAR 52.217-9.

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SECTION I
CONTRACT CLAUSES

I.1 Section I

I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these web site addresses:

<http://www.arnet.gov/>
or <http://farsite.hill.af.mil/>
or <http://www.acq.osd.mil/dpap/dfars/>

I.2 52.202-1 DEFINITIONS (JUL 2004)

(Reference 2.201)

I.3 52.203-3 GRATUITIES (APR 1984)

(Reference 3.202)

I.4 52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)

(Reference 3.404)

I.5 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006)

(Reference 3.503-2)

I.6 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)

(Reference 3.502-3)

I.7 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)

(Reference 3.104-9)

I.8 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)

(Reference 3.104-9)

I.9 52.203-11 CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEP 2007)

(Reference 3.808)

I.10 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEP 2007)

(Reference 3.808)

I.11 52.203-14 DISPLAY OF HOTLINE POSTER(S) (DEC 2007)

I.12 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES (DEC 2008)

(Reference 203.570-3)

I.13 252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (JAN 2009)

SECTION I
CONTRACT CLAUSES

I.14 52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)

(Reference 4.303)

I.15 52.204-7 CENTRAL CONTRACTOR REGISTRATION (APR 2008)

(Reference 4.1104)

I.16 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (SEPT 2007)

(Reference 4.1301)

I.17 252.204-7000 DISCLOSURE OF INFORMATION (DEC 1991)

(Reference 204.404-70)

I.18 252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

(Reference 204.404-70)

I.19 252.204-7004 ALTERNATE A, CENTRAL CONTRACTOR REGISTRATION (SEPT 2007)

(Reference 204.1104)

I.20 252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991)

(Reference 205.470)

I.21 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (SEP 2006)

(Reference 9.409)

I.22 252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY (JAN 2009)

(Reference 209.104-70)

I.23 252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY (DEC 2006)

(Reference 209.409)

I.24 52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (APR 2008)

(Reference 11.604)

I.25 52.215-2 AUDIT AND RECORDS--NEGOTIATION (JUN 1999)

(Reference 15.209)

I.26 52.215-8 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)

(Reference 15.209)

I.27 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS (OCT 1997)

(Reference 15.408)

I.28 52.215-13 SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS (OCT 1997)

(Reference 15.408)

I.29 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (OCT 2004)

(Reference 15.408)

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I.30 52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997)

(Reference 15.408)

I.31 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (JUL 2005)

(Reference 15.408)

I.32 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(Reference 15.408)

I.33 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)

(Reference 15.408)

I.34 252.215-7000 PRICING ADJUSTMENTS (DEC 1991)

(Reference 215.408)

I.35 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

(Reference 16.603-4)

I.36 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)

(Reference 19.708)

I.37 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (APR 2008)--ALTERNATE II (APR 2008)

(Reference 19.708)

I.38 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (JAN 1999)

(Reference 19.708)

I.39 252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) (APR 2007)

(Reference 219.708)

I.40 52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)

(Reference 22.103-5)

I.41 52.222-3 CONVICT LABOR (JUN 2003)

(Reference 22.202)

I.42 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(Reference 22.810)

I.43 52.222-26 EQUAL OPPORTUNITY (MAR 2007)

(Reference 22.810)

I.44 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS. [SEP 2006]

(Reference 22.1310)

I.45 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)

(Reference 22.1408)

I.46 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEP 2006)

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(Reference 22.1310)

I.47 52.222-41 SERVICE CONTRACT ACT OF 1965 (NOV 2007)

(Reference 22.1006)

I.48 52.222-43 FAIR LABOR STANDARDS ACT AND SERVICE CONTRACT ACT--PRICE ADJUSTMENT (MULTIPLE YEAR AND OPTION CONTRACTS) (NOV 2006)

(Reference 22.1006)

I.49 52.222-50 COMBATING TRAFFICKING IN PERSONS (FEB 2009)

(Reference 22.1705)

I.50 52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

(Reference 23.505)

I.51 52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)

(Reference 23.906)

I.52 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)

(Reference 23.906(b))

I.53 252.223-7004 DRUG-FREE WORK FORCE (SEP 1988)

(Reference 223.570-2)

I.54 52.224-1 PRIVACY ACT NOTIFICATION (APR 1984)

(Reference 24.104)

I.55 52.224-2 PRIVACY ACT (APR 1984)

(Reference 24.104)

I.56 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUNE 2008)

(Reference 25.1103)

I.57 252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 2005)

(Reference 225.7605)

I.58 252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (SEP 2004)

(Reference 226.104)

I.59 52.227-1 AUTHORIZATION AND CONSENT (DEC 2007)

(Reference 27.201-2)

I.60 52.227-3 PATENT INDEMNITY (APR 1984)

(Reference 27.203-1)

I.61 52.227-14 RIGHTS IN DATA--GENERAL (DEC 2007)

(Reference 27.409)

I.62 52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APR 2003)

(Reference 29.401-3)

I.63 52.230-2 COST ACCOUNTING STANDARDS (OCT 2008)

(Reference 30.201-4)

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I.64 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (MAR 2008)

(Reference 30.201-4)

I.65 52.232-1 PAYMENTS (APR 1984)

(Reference 32.111)

I.66 52.232-8 DISCOUNTS FOR PROMPT PAYMENT (FEB 2002)

(Reference 32.111)

I.67 52.232-17 INTEREST (OCT 2008)

(Reference 32.617)

I.68 52.232-18 AVAILABILITY OF FUNDS (APR 1984)

(Reference 32.705-1)

I.69 52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

(Reference 32.806)

I.70 52.232-25 PROMPT PAYMENT (OCT 2008)

(Reference 32.908)

I.71 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION (OCT 2003)

(Reference 32.1110)

I.72 52.232-34 PAYMENT BY ELECTRONIC FUNDS TRANSFER--OTHER THAN CENTRAL CONTRACTOR REGISTRATION (MAY 1999)

(Reference 32.1110)

I.73 52.233-1 DISPUTES (JUL 2002)--ALTERNATE I (DEC 1991)

(Reference 33.215)

I.74 52.233-2 SERVICE OF PROTEST (SEP 2006)

(Reference 33.106)

I.75 52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)

(Reference 33.215)

I.76 52.237-3 CONTINUITY OF SERVICES (JAN 1991)

(Reference 37.110)

I.77 52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

(Reference 39.107)

I.78 52.242-13 BANKRUPTCY (JUL 1995)

(Reference 42.903)

I.79 52.243-1 CHANGES--FIXED-PRICE (AUG 1987)--ALTERNATE I (APR 1984)

(Reference 43.205)

I.80 52.243-6 CHANGE ORDER ACCOUNTING (APR 1984)

(Reference 43.205)

I.81 252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)

(Reference 243.205-70)

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I.82 252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT (MAR 1998)

(Reference 243.205-71)

I.83 52.244-2 SUBCONTRACTS (JUN 2007)

(Reference 44.204)

I.84 52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

(Reference 44.204)

I.85 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (FEB 2009)

(Reference 44.403)

I.86 52.245-2 GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES (JUN 2007)

(Reference 45.107)

I.87 52.246-20 WARRANTY OF SERVICES (MAY 2001)

(Reference 46.710)

I.88 52.246-25 LIMITATION OF LIABILITY--SERVICES (FEB 1997)

(Reference 46.805)

I.89 252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2008)

(Reference 246.370)

I.90 52.248-1 VALUE ENGINEERING (FEB 2000)

(Reference 48.201)

**I.91 52.249-1 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)
(SHORT FORM) (APR 1984)**

(Reference 49.502)

**I.92 52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)
(MAY 2004)**

(Reference 49.502)

I.93 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984)

(Reference 49.504)

I.94 52.253-1 COMPUTER GENERATED FORMS (JAN 1991)

(Reference 53.111)

I.95 252.201-7000 CONTRACTING OFFICER'S REPRESENTATIVE (DEC 1991)

(a) "Definition." "Contracting officer's representative" means an individual designated in accordance with subsection 201.602-2 of the Defense Federal Acquisition Regulation Supplement and authorized in writing by the contracting officer to perform specific technical or administrative functions.

(b) If the Contracting Officer designates a contracting officer's representative (COR), the Contractor will receive a copy of the written designation. It will specify the extent of the COR's authority to act on behalf of the contracting officer. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract.

(End of Clause)

I.96 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (DEC 2008)

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(a) Definitions. As used in this clause—

“Agent” means any individual, including a director, an officer, an employee, or an independent Contractor, authorized to act on behalf of the organization.

“Full cooperation”—

(1) Means disclosure to the Government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct. It includes providing timely and complete response to Government auditors’ and investigators’ request for documents and access to employees with information;

(2) Does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not require—

(i) A Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine; or

(ii) Any officer, director, owner, or employee of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; and

(3) Does not restrict a Contractor from—

(i) Conducting an internal investigation; or

(ii) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

“Principal” means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment; and similar positions).

“Subcontract” means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

“Subcontractor” means any supplier, distributor, vendor, or firm that furnished supplies or services to or for a prime contractor or another subcontractor.

“United States,” means the 50 States, the District of Columbia, and outlying areas.

(b) Code of business ethics and conduct.

(1) Within 30 days after contract award, unless the Contracting Officer establishes a longer time period, the Contractor shall—

(i) Have a written code of business ethics and conduct; and

(ii) Make a copy of the code available to each employee engaged in performance of the contract.

(2) The Contractor shall—

(i) Exercise due diligence to prevent and detect criminal conduct; and

(ii) Otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

(3)(i) The Contractor shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed—

(A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(B) A violation of the civil False Claims Act ([31 U.S.C. 3729-3733](#)).

(ii) The Government, to the extent permitted by law and regulation, will safeguard and treat information obtained pursuant to the Contractor’s disclosure as confidential where the information has been marked “confidential” or “proprietary” by the company. To the extent permitted by law and regulation, such information will not be released by the Government to the public pursuant to a Freedom of Information Act request, [5 U.S.C. Section 552](#), without prior notification to the Contractor. The Government may transfer documents provided by the Contractor to any department or agency within the Executive Branch if the information relates to matters within the organization’s jurisdiction.

(iii) If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the Contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract.

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(c) Business ethics awareness and compliance program and internal control system. This paragraph (c) does not apply if the Contractor has represented itself as a small business concern pursuant to the award of this contract or if this contract is for the acquisition of a commercial item as defined at FAR [2.101](#). The Contractor shall establish the following within 90 days after contract award, unless the Contracting Officer establishes a longer time period:

(1) An ongoing business ethics awareness and compliance program.

(i) This program shall include reasonable steps to communicate periodically and in a practical manner the Contractor's standards and procedures and other aspects of the Contractor's business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individual's respective roles and responsibilities.

(ii) The training conducted under this program shall be provided to the Contractor's principals and employees, and as appropriate, the Contractor's agents and subcontractors.

(2) An internal control system.

(i) The Contractor's internal control system shall—

(A) Establish standards and procedures to facilitate timely discovery of improper conduct in connection with Government contracts; and

(B) Ensure corrective measures are promptly instituted and carried out.

(ii) At a minimum, the Contractor's internal control system shall provide for the following:

(A) Assignment of responsibility at a sufficiently high level and adequate resources to ensure effectiveness of the business ethics awareness and compliance program and internal control system.

(B) Reasonable efforts not to include an individual as a principal, whom due diligence would have exposed as having engaged in conduct that is in conflict with the Contractor's code of business ethics and conduct.

(C) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the Contractor's code of business ethics and conduct and the special requirements of Government contracting, including—

(1) Monitoring and auditing to detect criminal conduct;

(2) Periodic evaluation of the effectiveness of the business ethics awareness and compliance program and internal control system, especially if criminal conduct has been detected; and

(3) Periodic assessment of the risk of criminal conduct, with appropriate steps to design, implement, or modify the business ethics awareness and compliance program and the internal control system as necessary to reduce the risk of criminal conduct identified through this process.

(D) An internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(E) Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.

(F) Timely disclosure, in writing, to the agency OIG, with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of any Government contract performed by the Contractor or a subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title [18 U.S.C.](#) or a violation of the civil False Claims Act ([31 U.S.C. 3729-3733](#)).

(1) If a violation relates to more than one Government contract, the Contractor may make the disclosure to the agency OIG and Contracting Officer responsible for the largest dollar value contract impacted by the violation.

(2) If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract, and the respective agencies' contracting officers.

(3) The disclosure requirement for an individual contract continues until at least 3 years after final payment on the contract.

(4) The Government will safeguard such disclosures in accordance with paragraph (b)(3)(ii) of this clause.

(G) Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions.

(d) Subcontracts.

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(1) The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts that have a value in excess of \$5,000,000 and a performance period of more than 120 days.

(2) In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

(End of clause)

I.97 252.204-7001 COMMERCIAL AND GOVERNMENT ENTITY (CAGE) CODE REPORTING (AUG 1999)

(a) The offeror is requested to enter its CAGE code on its offer in the block with its name and address. The CAGE code entered must be for that name and address. Enter "CAGE" before the number.

(b) If the Offeror does not have a CAGE code, it may ask the Contracting Officer to request one from the Defense Logistics Information Service (DLIS). The Contracting Officer will--

(1) Ask the Contractor to complete section B of a DD Form 2051, Request for Assignment of a Commercial and Government Entity (CAGE) Code;

(2) Complete section A and forward the form to DLIS; and

(3) Notify the Contractor of its assigned CAGE code.

(c) Do not delay submission of the offer pending receipt of a CAGE code.

(End of Provision)

I.98 252.204-7006 BILLING INSTRUCTIONS (OCT 2005)

When submitting a request for payment, the Contractor shall-

(a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and

(b) Separately identify a payment amount for each contract line item included in the payment request.

(End of Clause)]

I.99 52.216-18 ORDERING (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from between notice of contract award and eighty (80) months after contract award.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

(End of Clause)

I.100 52.216-19 ORDER LIMITATIONS (OCT 1995)

(a) "Minimum order." When the Government requires supplies or services covered by this contract in an amount of less than \$100.00 the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) "Maximum order." The Contractor is not obligated to honor--

(1) Any order for a single item in excess of \$100,000.00

(2) Any order for a combination of items in excess of \$1,000,000.00 or

(3) A series of orders from the same ordering office within 5 days that together call for quantities exceeding the limitation in paragraph (b)1) or (2) of this section.

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(c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.

(d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within 3 days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

(End of Clause)

I.101 52.216-21 REQUIREMENTS (OCT 1995)

(a) This is a requirements contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies or services specified in the Schedule are estimates only and are not purchased by this contract. Except as this contract may otherwise provide, if the Government's requirements do not result in orders in the quantities described as "estimated" or "maximum" in the Schedule, that fact shall not constitute the basis for an equitable price adjustment.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the Order Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(c) Except as this contract otherwise provides, the Government shall order from the Contractor all the supplies or services specified in the Schedule that are required to be purchased by the Government activity or activities specified in the Schedule.

(d) The Government is not required to purchase from the Contractor requirements in excess of any limit on total orders under this contract.

(e) If the Government urgently requires delivery of any quantity of an item before the earliest date that delivery may be specified under this contract, and if the Contractor will not accept an order providing for the accelerated delivery, the Government may acquire the urgently required goods or services from another source.

(f) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government'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; provided, that the Contractor shall not be required to make any deliveries under this contract after work started through the seventy-six (76) months.

(End of Clause)

I.102 52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within thirty (30) days of the contract expiration.

(End of Clause)

I.103 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within thirty (30) provided that the Government gives the Contractor a preliminary written notice of its intent to extend at

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least sixty (60) days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed six (6) years and ten (10) months.

(End of Clause)

I.104 52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

This Statement is for Information Only: (It is not a Wage Determination)

Employee Class	Equivalent GS/WG Level	Hourly Rate
Audit Analyst I	GS-7	\$15.25
Audit Analyst II	GS-9	\$18.66
QA Auditor/Trainer	GS-9	\$18.66
Audit Assistant	GS-4	\$11.01
Audit Unit Assistant	GS-3	\$ 9.80

(End of Clause)

I.105 52.222-49 SERVICE CONTRACT ACT--PLACE OF PERFORMANCE UNKNOWN (MAY 1989)

(a) This contract is subject to the Service Contract Act, and the place of performance was unknown when the solicitation was issued. In addition to places or areas identified in wage determinations, if any, attached to the solicitation, wage determinations have also been requested for the following: (see Section J, Attachment J-5) The Contracting Officer will request wage determinations for additional places or areas of performance if asked to do so in writing by COB 12 November 2008.

(b) Offerors who intend to perform in a place or area of performance for which a wage determination has not been attached or requested may nevertheless submit bids or proposals. However, a wage determination shall be requested and incorporated in the resultant contract retroactive to the date of contract award, and there shall be no adjustment in the contract price.

(End of Clause)

I.106 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)

Funds are not presently available for performance under this contract beyond the FISCAL YEAR at the time of contract award. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond the FISCAL YEAR at the time of contract award until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

(End of Clause)

I.107 252.232-7003 ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS (MAR 2008)

(a) *Definitions.* As used in this clause—

(1) "Contract financing payment" and "invoice payment" have the meanings given in section 32.001 of the Federal Acquisition Regulation.

(2) "Electronic form" means any automated system that transmits information electronically from the

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initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using Wide Area WorkFlow (WAWF) or another electronic form authorized by the Contracting Officer.

(3) "Payment request" means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests and receiving reports using WAWF, in one of the following electronic formats that WAWF accepts: Electronic Data Interchange, Secure File Transfer Protocol, or World Wide Web input. Information regarding WAWF is available on the Internet at <https://wawf.eb.mil/>.

(c) The Contractor may submit a payment request and receiving report using other than WAWF only when—

(1) The Contracting Officer authorizes use of another electronic form. With such an authorization, the Contractor and the Contracting Officer shall agree to a plan, which shall include a timeline, specifying when the Contractor will transfer to WAWF;

(2) DoD is unable to receive a payment request or provide acceptance in electronic form;

(3) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor. In such cases, the Contractor shall include a copy of the Contracting Officer's determination with each request for payment; or

(4) DoD makes payment for commercial transportation services provided under a Government rate tender or a contract for transportation services using a DoD-approved electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System).

(d) The Contractor shall submit any non-electronic payment requests using the method or methods specified in Section G of the contract.

(e) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

(End of clause)

I.108 52.243-7 NOTIFICATION OF CHANGES (APR 1984)

(a) "Definitions." "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this paragraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) "Notice." The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within thirty (30) calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state--

(1) The date, nature, and circumstances of the conduct regarded as a change;

(2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;

(3) The identification of any documents and the substance of any oral communication involved in such conduct;

(4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;

(5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including--

(i) What contract line items have been or may be affected by the alleged change;

(ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;

SECTION I
CONTRACT CLAUSES

(iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) "Continued performance." Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) "Government response." The Contracting Officer shall promptly, within thirty (30) calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either--

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under paragraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) "Equitable adjustments."

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made--

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in (b) and (c) of this clause.

(End of Clause)

SUBCONTRACTING PLAN Attachment A-1

Contractor: Meridian Resource Company, LLC
Address: 20725 Watertown Road, Waukesha, WI 53186
D&B #: 867987042
Solicitation: Department of Defense - TRICARE Management Activity
Solicitation No. H94002-08-R-0003
Item/Service: Claims Review Services
Contract Period: Date of award through February 28, 2010.. This contract also contains five (5) option periods which have a maximum duration of one (1) year each, from March 1, 2010 through February 28, 2015.
Cage Code: 088S3

The following is hereby submitted as an individual contract plan to satisfy the applicable requirements of the Federal Acquisition Regulation (FAR) 52.219-9 and the Defense Federal Acquisition Regulation Supplement (DFARS) 252.219-7003.

- (1) The following percentage goals, expressed in terms of percentages of total planned subcontracting dollars, are applicable to the contract cited above:

Attachment 1

	Base Period Phase-In 9/1/09 – 2/28/2010	Option Period 1 3/1/2010 – 2/28/2011	Option Period 2 3/1/2011- 2/29/2012	Option Period 3 3/1/2012 – 2/28/2013	Option Period 4 3/1/2013 – 2/28/2014	Option Period 5 3/1/2014 – 2/28/2015	Grand Total Base Period & 5 Option Periods
Total dollars planned to be subcontracted	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Small business concerns, including ANCs and Indian tribes (SB)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Veteran-owned small business concerns (VOSB)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Service-disabled veteran-owned small business concerns (SDVOSB)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
HUBZone small business concerns (HUBZone)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Small disadvantaged business concerns, including ANCs and Indian tribes (SDB)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Women-owned small business concerns (WOSB)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)

- (2) The following dollar values correspond to the percentage goals shown in (1) above:
- (i) Total dollars planned to be subcontracted (to all types of business concerns) under this contract is: [REDACTED] (b)(4)
 - (ii) Total dollars to be subcontracted to small business concerns (including ANCs and Indian tribes): [REDACTED] (b)(4)
 - (iii) Total dollars to be subcontracted to veteran-owned small business concerns: [REDACTED] (b)(4)
 - (iv) Total dollars to be subcontracted to service-disabled veteran-owned small business concerns: [REDACTED] (b)(4)
 - (v) Total dollars to be subcontracted to HUBZone small business concerns: [REDACTED] (b)(4)
 - (vi) Total dollars to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes): [REDACTED] (b)(4)
 - (vii) Total dollars to be subcontracted to women-owned small business concerns: [REDACTED] (b)(4)

(3) The following principal products and/or services may be subcontracted under this contract: Travel, office furniture, office equipment, office supplies, , delivery services, micro imaging, document storage/management, building services, and training services. Meridian Resource Company, LLC ("Meridian") will attempt to subcontract all or a portion of the following products and/or services from:

- (i) Small business concerns (including ANCs and Indian tribes): Travel, office furniture, office equipment, office supplies, delivery services, micro imaging, document storage/management, building services, and training.
- (ii) Veteran-owned small business concerns: Building services and office supplies.
- (iii) Service-disabled veteran-owned small business concerns: Office supplies, office equipment and delivery services.
- (iv) HUBZone small business concerns: Office supplies, office equipment, delivery services and document storage/management.
- (v) Small disadvantaged business concerns (including ANCs and Indian tribes): Travel, office supplies, office equipment and delivery services.
- (vi) Women-owned small business concerns: Office supplies, office equipment

and document storage/management.

Products and/or Services	SB	VOSB	SDVOSB	HUBZone	SDB	WOSB
Travel	X				X	
Office Furniture	X					
Office Equipment	X		X	X	X	X
Office Supplies	X	X	X	X	X	X
Delivery Services	X		X	X	X	
Micro-imaging	X					
Document Storage/Management	X			X		X
Building Services	X	X				
Training Services	X					

(4) The methodology used to develop the subcontracting goals consisted of a review of each cost category. Based on the historical data, industry pricing trends, the knowledge of Meridian's Corporate Purchasing Department, and the assistance of various government agencies, it was determined whether small businesses, veteran-owned small businesses, service-disabled veteran-owned small businesses, HUBZone small businesses, small disadvantaged businesses and women-owned small businesses could successfully subcontract with the company. The key elements considered when choosing subcontractors are quality, quantity and price.

(5) In developing this program, Meridian has utilized information obtained from attendance at small business procurement conferences, workshops and seminars, source lists and guides, and the data available from its automated accounts payable system. Methods used to identify potential sources:

- (a) Company Source Lists
- (b) Small Business Administration Procurement Automated Source System
- (c) Defense Contract Administration Office (Milwaukee)
- (d) United Negro College Fund member institutions
- (e) Central Contractor Registration database (CCR)

(6) (b)(4) which represent space allocations for Meridian's facility and related facility expenses, were included in establishing the subcontracting goals. Lease payments, utilities, cleaning/janitorial and security costs are examples of the (b)(4) [redacted] to be incurred with (i) small business concerns; (ii) veteran-owned small business concerns; (iii) service-disabled veteran-owned small business concerns; (iv) HUBZone small business concerns; (v) small disadvantaged business concerns; and (vi) women-owned small business concerns was (b)(4) [redacted]

(7) The following individual will administer the subcontracting program:

Name: [REDACTED] (b)(6)

Address: Meridian Resource Company, LLC
20725 Watertown Road
Waukesha, WI 53186

Telephone: [REDACTED] (b)(6)

Title: Manager

This individual's specific duties, as they relate to the firm's subcontracting program, are as follows:

General overall responsibility for this company's Small Business Program, the development, preparation and execution of individual subcontracting requirements contained in this plan, including, but not limited to:

- (a) Developing and maintaining vendor lists of SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concerns from all possible sources.
- (b) Ensuring the procurement packages are structured to permit SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concerns to participate to the maximum extent possible.
- (c) Ensuring inclusion of SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concerns in solicitations for products or services that they are capable of providing.
- (d) Ensuring inclusion of Historically Black Colleges and Universities (HBCU) and Minority Institutions (MI) in solicitations for products or services that they are capable of providing.
- (e) Reviewing solicitations to remove statements, clauses, etc. which may tend to restrict or prohibit SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concerns participation.
- (f) Ensuring that the reasons for not selecting low bids submitted by SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concerns are documented.
- (g) Ensuring the establishment and maintenance of records of solicitations and subcontract award activity.
- (h) Attending or arranging for attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.

- (i) Monitoring attainment of proposed goals.
- (j) Preparing and submitting required periodic subcontracting reports.
- (k) Coordinating contractor's activities involving its SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB subcontracting program.
- (l) Additions to (or deletions from) the duties specified in above areas are as follows:

NONE

- (8) The following efforts will be taken to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business and women-owned small business concerns will have an equitable opportunity to compete for subcontracts:
 - (a) Outreach efforts will be made as follows:
 - (i) Contacts with SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB trade associations.
 - (ii) Contacts with business development organizations.
 - (iii) Attendance at small and minority business procurement conferences and trade fairs.
 - (iv) Contacts with HBCU and MI concerns.
 - (b) The following internal efforts will be made to guide and encourage buyers:
 - (i) Workshops, seminars and training programs will be conducted.
 - (ii) Activities will be monitored to evaluate compliance with this subcontracting plan.
 - (c) SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB concern source lists, guides, and other data identifying small and small disadvantaged business concerns will be maintained and utilized by buyers in soliciting subcontracts.
- (9) Meridian agrees that the clause of this contract at FAR 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), will be included in all subcontracts that offer further subcontracting opportunities, and all subcontractors (except small business concerns) that receive subcontracts in excess of \$550,000 (\$1,000,000 for construction) will be required to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan (see 19.708(b)).

- (10) Meridian agrees to (i) cooperate in any studies or surveys as may be required; (ii) submit periodic reports so that the Government can determine the extent of compliance by Meridian with the subcontracting plan; (iii) submit the Individual Subcontract Report (ISR) and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS), following the instructions in the eSRS; (iv) ensure subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using the eSRS; (v) provide its prime contract number, its DUNS number and the e-mail address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their reports; and (vi) require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number and the e-mail address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to its subcontractors with subcontracting plans.
- (11) Meridian agrees to maintain at least the following types of records to document compliance with this subcontracting plan:
- (a) Source lists, guides and other data identifying SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB vendors.
 - (b) Organizations contacted for SB, VOSB, Service-Disabled VOSB, HUBZone SB, SDB, and WOSB sources.
 - (c) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating –
 - (i) Whether small business concerns were solicited and if not, why not;
 - (ii) Whether veteran-owned small business concerns were solicited and, if not, why not;
 - (iii) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;
 - (iv) Whether HUBZone small business concerns were solicited and, if not, why not;
 - (v) Whether small disadvantaged business concerns were solicited and if not, why not;
 - (vi) Whether women-owned small business concerns were solicited and if not, why not; and
 - (vii) If applicable, the reason award was not made to a small business concern.

- (d) Records to support any outreach efforts to contact (1) trade associations, (2) business development organizations, (3) conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources, and (4) veterans service organizations.
 - (e) Records of internal guidance and encouragement provided to buyers through, (1) workshops, seminars, training, etc. and, (2) monitoring performance to evaluate compliance with the program's requirements.
 - (f) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.
- (12) FAR 19.702 requires a contractor to establish and use procedures to ensure timely payment of amounts due pursuant to the terms of their subcontracts with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

Meridian has established and uses Vendor Payment procedures that indicate payment is sent to a vendor within 10 business days after approval of the invoice. In addition to these procedures, Meridian's parent company, WellPoint, Inc., has procedures for items purchased through the procurement system and corporate approval levels that are also used in order to ensure vendors are paid on a timely basis.

Meridian Resource Company, LLC is making a concerted effort to achieve or exceed our small business goals. We have numerous existing agreements with Small and Disadvantage Business (SADBUS) concerns. We are also in the process of identifying and entering into formal agreements with additional SADBUS vendors, located through outreach activities.

The small businesses that we have identified to date will be (or are already) providing meaningful professional services in support of our TRICARE contract. For example, we are using Small Business subcontractors to satisfy many of our general business needs, such as office supplies, printing, and facility-related expenses. These Small Business subcontractors include small disadvantaged businesses, as well as women-owned and veteran owned. By working with these and other small business concerns, we are fully committed to supporting the Small Business Administration as it works with small businesses to build America's economic future.

SIGNED:

[REDACTED] (b)(6)

TYPED NAME:

[REDACTED] (b)(6)

TITLE:

Manager

DATE:

July 9, 2009

PLAN ACCEPTED BY:



DATE:

7/15/2009

SCOTT J. DIAMOND
Contracting Officer