

**AGREEMENT  
BY AND BETWEEN  
THE CONNECTICUT HEALTH INSURANCE EXCHANGE  
AND  
KPMG LLP**

**SECTION 1**

This Agreement (hereinafter referred to as "Agreement") is entered into between the Connecticut Health Insurance Exchange (hereinafter "Exchange") acting pursuant to Public Act 11-53 and KPMG LLP, a partnership, having its principal offices at 345 Park Avenue, New York, NY 10154 (hereinafter "Contractor") and shall have an effective date of February 1 2012. The parties agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

**SECTION 2  
CONTRACT PERIOD AND DEFINITIONS**

This Agreement shall commence on the date of the last signature and the duties of the Contractor as set forth in Section 5 of this Agreement shall be completed by the Contractor no later than August 14, 2012 (hereinafter "end date").

Whenever the following terms or phrases are used in this Agreement, they shall have the following meaning unless the context clearly requires otherwise:

"Exchange" – Wherever the term "Exchange" is used in this Agreement it means the Connecticut Health Insurance Exchange, and shall include the Acting CEO or the CEO, or his/her authorized agents, employees or designees or the Board of Directors.

"Claims" means any and all claims, demands, suits, actions, causes of action, losses, liabilities, damages, judgments, orders, decrees, requests for injunctive and/or declaratory relief, fines, liens, debts, charges, executions, penalties, interest and expense whatsoever (including, but not limited to, all reasonable attorney's fees, court costs, expert and other professional fees and other costs of investigation and defense of any of the foregoing), whether mature or unmatured, contingent, or known or unknown, which are, have been or may be made, brought, issued or awarded at law or in equity, or under or in connection with any administrative rule or proceeding, in any forum.

"Goods" means all personal (including intellectual) property of any kind other than such personal property that is incorporated in and thus a fixture of any real property. Without limiting the foregoing, the term "Goods" includes supplies, materials, equipment and which are required to be delivered by the Contractor to or on behalf of OPM as specified in Section 5 below.

"Records" means all working papers and such other information or deliverables, data and materials (including, but not limited to, documents, data, plans, books, e-mail, text messages, computations, drawings, specifications, notes, reports, records, estimates, summaries, memoranda and correspondence) that are prepared, generated or accumulated by a Person (whether in electronic, hard copy or other form) for, as a result of, or in connection with, or which in any way relate to, pertain to, or reference, this Agreement (including, but not limited to, the performance, nonperformance and/or any other acts or omissions of the Contractor, its Subcontractors, any of either's Related or Affiliated Parties, the Exchange or any of its officers, agents, representatives or employees under, in connection with or in relation to this Agreement and/or any bids that were submitted prior to the execution of the same).

"State" means the State of Connecticut.

"Title" of any matter or thing (whether tangible or intangible) means all ownership, title, licenses, rights and other property interests of any kind, whether real, personal or intellectual, including, but not limited to, the perpetual use of such property interests on any kind, whether real, personal or intellectual.

### SECTION 3 TERMINATION PROVISION

- (a) Termination for Convenience. Notwithstanding any provisions in this Agreement to the contrary, the Exchange may Terminate all or any portion(s) of this Agreement for its convenience, without cause or penalty, whenever the Exchange determines that such Termination is in the best interests of the Exchange. Any such Termination shall be effected by the Exchange providing the Contractor with written notice of both the extent and the effective date of Termination.
- (b) Termination for Default.
- (i) Subject to the provisions of Section JJ of this Agreement entitled "Uncontrollable Circumstance," the Contractor shall be in default of this Agreement if it fails to both (A) timely perform, or otherwise have breached, any term, covenant, condition or obligation of the Contractor hereunder, or to make sufficient progress so as to endanger the performance of any such term, covenant, condition or obligation, (any one or more of such failures being hereinafter referred to as a "breach"), and (B) (1) cure such breach within ten (10) days of written notice from the Exchange to the Contractor specifying the nature of said breach, or (2) if the breach is of a nature that it cannot reasonably be cured within such ten (10) day period, the Contractor shall have failed to commence to cure such breach within such ten (10) day period or thereafter fail to diligently pursue such cure (the period allowed the Contractor to cure any breach(es) pursuant to this subparagraph (b)(i) being hereinafter referred to as the "Cure Period").
- (ii) If the Contractor is in default of this Agreement, the Exchange may, at the Exchange's sole discretion, and without prejudice to any other rights or remedies that the Exchange has, may have or may thereafter have, all of which are reserved for the Exchange, (A) immediately Terminate all or any portion(s) of this Agreement, and/or (B) extend the Cure Period applicable to any breach(es) by specifying a date (the "Extended Termination Date") by which any breach(es) must be cured (the period running from the end of the Cure Period to and through any such Extended Termination Date being herein referred to as the "Extended Cure Period"). In the event the Exchange provides the Contractor with an Extended Cure Period within which to cure any breach(es), then, unless otherwise modified in writing by the Exchange prior to the Extended Termination Date and/or the breach(es) to which the Extended Cure Period apply have been cured within such period, the portion(s) of this Agreement to which such Extended Cure Period pertain shall Terminate without any further action by the Exchange. Any Termination effected pursuant to this subparagraph (b)(ii) shall be effected by the Exchange's providing the Contractor with written notice of both the extent and the effective date of Termination or, as applicable, if the Exchange decides to grant the Contractor an Extended Cure Period in which to cure any breach(es), the Extended Termination Date applicable to such Extended Cure Period.
- (iii) Subject to the provisions of subparagraph (b)(vi) below entitled "Rights of Set-off" and the Contractor's compliance with the terms of subparagraph (c) below, the following provisions will apply to any and all portion(s) of this Agreement that are Terminated for the Exchange's convenience:
- A. The Exchange will pay the Contractor any and all payments due under the payment provisions of this Agreement for Goods or Services that have been provided to and accepted by the Exchange as of the effective date of Termination, after taking into

consideration all payments that already have been (or are in the process of being) made by the Exchange therefor.

- B. As and to the extent the Exchange directs the Contractor, and the Contractor complies with the Exchange's direction, to deliver any Goods, Records and/or other materials pursuant to the first sentence of subparagraph (c)(vii) below, the Exchange also will pay the Contractor an equitable amount as reasonably determined by the Exchange to compensate the Contractor for its actual costs in acquiring any such materials (or parts thereof) and performing such work as was reasonably necessary for the Contractor to manufacture, produce and/or otherwise prepare and deliver the Records and other materials described in the first sentence of subparagraph (c)(vii) below. In the event the Contractor and/or its subcontractors have acquired any materials or performed any work reasonably necessary to provide any Goods or Services that otherwise were to be provided under this Agreement which are not requested to be delivered to the Exchange pursuant to subparagraph (c)(vii) below, and neither the Contractor nor its subcontractors reasonably can, or can be expected to, use or sell the same, the Contractor also shall be entitled to an equitable adjustment in the amounts otherwise payable under this subparagraph (b)(iii)(B) to account for the Contractor's actual costs therefor less the intrinsic value to the Contractor and/or its subcontractors thereof. the Exchange's commitment to make any payments pursuant to this subparagraph (b)(iii)(B) is strictly dependant, and thus conditioned, upon the Contractor first providing the Exchange with such evidence of the amount and extent of such costs and such other information as the Exchange determines to be appropriate in the circumstances, all in such form and substance which is acceptable to the Exchange.
- (iv) If the Exchange Terminates this Agreement in whole or in part for default as provided in subparagraph (b)(ii) above, the Exchange via the Exchange or otherwise may, but shall not be required to, acquire any Goods or Services similar to those that were to be provided by the Contractor pursuant to such portion(s) of the Agreement that has or have been Terminated from another source, and the Contractor shall be liable to the Exchange for any excess costs associated with obtaining such Goods or Services. The Contractor, however, shall continue to perform and provide all Goods and Services pursuant to those portions of the Agreement that have not been Terminated.
- (v) Limits of Exchange's Liability. Except as, and then only to the extent, otherwise provided in subparagraph (b)(iii) above, the Exchange shall not be liable for any special, indirect, incidental or consequential damages (including, but not limited to, any lost profits) that the Contractor may suffer or incur as result of any Termination of all or any portion(s) of this Agreement and/or any other cause whatsoever. Without limiting the generality of the foregoing, and notwithstanding the provisions of subparagraph (b)(iii)(B) above or any other provision of this Agreement, in no event shall the Exchange be liable to pay the Contractor any sums which, in combination with any and all other payments that have been and may otherwise yet need to be paid to the Contractor would exceed the total Not to Exceed Amount applicable to this Agreement as set forth in Section 6 below. The provisions of this subparagraph (b)(v) shall apply notwithstanding anything to the contrary that may be set forth in this Agreement.
- (vi) Rights of Set-off. Notwithstanding anything to the contrary set forth in this Agreement, the Exchange may withhold any or all payments otherwise due to the Contractor under or by reason of this Agreement without cost or penalty, pending resolution of any and all issues and/or disputes regarding the Agreement or the Contractor's performance (or lack of performance) hereunder; providing that any amounts withheld by the Exchange pursuant to this subparagraph shall not exceed the total costs and damages (including, but not limited to, reasonable attorney's fees and costs of litigation) that the Exchange reasonably estimates the Exchange has suffered or may yet suffer or incur as a result of the Contractor's breach of and/or default under or in connection with this Agreement until all such issues and/or disputes between the parties are fully resolved.

- (c) The Exchange shall send any notice of Termination via either certified mail or hand delivery to the Contractor at the most current address which the Contractor has furnished to the Exchange for purposes of correspondence or, in the case of hand delivery, any office of the Contractor located in the State of Connecticut. Upon receiving such notice from the Exchange, the Contractor shall immediately:
- (i) Discontinue all work associated with such portion(s) of the Agreement that has or have been terminated;
  - (ii) Place no further subcontracts, purchase orders or other commitments (referred to as subcontracts in this clause), except as necessary to complete the continued portion(s) of the Agreement, if any;
  - (iii) Terminate all applicable subcontracts and cancel or divert applicable commitments covering personal services that extend beyond the effective date of Termination;
  - (iv) Assign to the Exchange, as directed by OPM, all right, Title, and interest of the Contractor in, to and under the subcontracts terminated, in which case the Exchange shall have the right (but not the obligation) to settle or pay any termination settlement proposal arising out of those subcontracts;
  - (v) With approval of the Exchange CEO and as appropriate the Board of Directors settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, which approval will be final for purposes of this clause;
  - (vi) Take any actions (including, but not limited to, directing its subcontractors to take any actions) that may be necessary, and/or that the Exchange may direct, for the protection and preservation of any and all Records and other property related to this Agreement that is in the possession of the Contractor or its subcontractors in which the Exchange has or may acquire an interest and/or that the Contractor and/or its subcontractors have an obligation to maintain and/or the Exchange has a right to inspect or audit as provided elsewhere in this Agreement or applicable law;
  - (vii) As directed by the Exchange, transfer Title (if Title is not already held by or has not been transferred to the Exchange) and deliver to the Exchange, within fifteen (15) days of the Exchange's request therefor, any and all Records and Goods that, if the Agreement had not been Terminated, would have been delivered to the Exchange as part of, or used in the process of providing, any Goods or Services that otherwise were required to be delivered to the Exchange under this Agreement, including, but not limited to, (A) all materials and equipment acquired, produced, or in process for the portion(s) of the Agreement terminated, and (B) all completed or partially completed designs, plans, drawings, specifications, analyses, compilations of data, and reports associated with the Agreement and/or the Contractor's (and its subcontractors') performance hereunder. The Contractor also shall deliver to the Exchange, as and when required by the Exchange, copies of any and all other Records requested by the Exchange. Except as, and then only to the extent, otherwise provided by subparagraph (b)(iii) above, all such Goods and Records shall be provided to the Exchange, at the Contractor's sole cost and expense. In accordance with this subsection, Contractor shall not incur any liability solely as a result of the Exchange's use of unfinished, incomplete or draft deliverables, work products, work-in-process, Goods, Services, Records, or other materials provided that Contractor has notified the Exchange of the incomplete status of all such material. Nothing in this subsection shall impair any claim the Exchange may have with respect to enforcing the terms of this Agreement including the deliverables as of the date of such termination. All Records provided to the Exchange pursuant to the foregoing

subparagraph that exist in electronic, magnetic or other intangible form shall be provided to the Exchange in a non-proprietary format, such as, but not limited to, "ASCII" or ".TXT".

- (viii) Complete performance of the portion(s) of the Agreement that have not been Terminated;
  - (ix) Use its best efforts to sell, as directed by the Exchange, Termination inventory other than that in which the Exchange has Title or is to be retained by the Contractor under the first sentence of subparagraph (c)(vii) of this clause; provided, however, that the Contractor (A) shall not be required to extend credit to any purchaser, and (B) may acquire any other property under the conditions prescribed by, and at prices approved by, the Exchange. The proceeds of any transfer or disposition will be applied to reduce any payments that have been or otherwise may be made by the Exchange under this Agreement, credited to the price or cost of the work, or paid in any other manner directed by the Exchange.
- (d) Termination of the Agreement pursuant to this section shall not be deemed to be a breach of contract by the Exchange.

## SECTION 4 NOTICE

Unless otherwise expressly provided to the contrary, any other notice provided under this Agreement shall be in writing and may be delivered personally or by certified mail in the manner set forth in this section. All notices shall be effective if delivered personally or by certified mail to the following addresses:

Exchange: Connecticut Health Insurance Exchange  
Office of Policy and Management  
450 Capitol Ave. - MS# 52LTC  
Hartford, CT 06106-1379  
Attention: Theresa Cintron, Acting CEO, Connecticut Health Insurance Exchange

Contractor: KPMG LLP  
345 Park Avenue  
New York, NY 10154  
Attention: Paul Hencoski, Principal

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

## SECTION 5 SPECIFICATION OF SERVICES

- (a) The Contractor shall perform all tasks identified in Workstreams 1 and 2 in accordance with the Statement of Work, inclusive of the entire Section 4, submitted to the State of Connecticut's Request for Proposal for the Connecticut Insurance Exchange Business Operations, IT Systems and Customer Assistance. The Statement of Work is incorporated herein as Appendix 1.

Workstream 1	
1.0	Project Management
1.1a	Business Process & IT Requirements
1.1b	System Requirements
1.2	Procurement Options and Cost Estimates
1.3	Specifications for Preferred Options
1.4	Implementation Plan (preferred options)

1.5	RFP and Procurement Support
Work Stream 2	
2.0	Project Management
2.1	Assess Existing Conditions and Capabilities
2.2	Requirements and Metrics Methodology
2.3	Business Process Changes and Implementation Strategy
2.4	Technical Requirements and Contract Specifications

(b) Agreement Staffing: The parties herein agree that the senior KPMG and subcontractor ("S") personnel, listed below in Schedule 1, are authorized to participate in the performance of tasks listed in this Section 5 along with support from staff below the level of senior manager.

Authorized Senior Project Personnel
Paul Hencoski
Lorna Stark
Ian Gilmour (S)
Sandy McBride (S)
Patrick Holland (S)
Jon Kingsdale (S)
Lou Tarricone
Harvey Levin
Roger Albritton
Roger Abbott (S)
Amit Sachde
Mark Jamilkowski
Bennett McEwan
Lisa Stimson
Margaret Hermann
Pritpal Bhogal
Gregory Schuett

**Schedule 1**

The Contractor shall contact the Exchange by email or other written correspondence to replace or add new senior resource staff to the Agreement as needed. Such written notice shall be directed to the Exchange's CEO, or his/her designee, and such requests may only be accepted by the Exchange by a separate corresponding email or other written correspondence directed to the Contractor without the need for separate Agreement amendments.

**SECTION 6  
COST AND SCHEDULE OF PAYMENTS**

The Exchange shall pay the Contractor a total sum not to exceed **Three Million Thirty-Six Thousand Eight Hundred Seventy-Five Dollars & 00/100 (\$3,036,875.00)** for services performed under this Agreement.

	Work Tasks	Not to Exceed Amount Per Work Task
<b>Work Stream 1</b>		
	Project Management	\$860,600
1.1a	Business Process Requirements	\$549,450
1.1b	System Requirements	\$436,800
1.2	Procurement Options and Cost Estimates	\$319,350
1.3	Specifications for Preferred Options	\$254,500
1.4	Implementation Plan (preferred options)	\$162,250
1.5	RFP and Procurement Support	\$189,000
<b>Work Stream 2</b>		
	Project Management	\$77,325
2.1	Assess Existing Conditions and Capabilities	\$64,750
2.2	Requirements and Metrics Methodology	\$45,250
2.3	Business Process Changes and Implementation Strategy	\$36,850
2.4	Technical Requirements and Contract Specifications	\$40,750
	<b>TOTAL</b>	<b>\$3,036,875</b>

The Contractor shall be compensated for fees based upon work performed, documented, and accepted by the Exchange.

The Contractor shall submit invoices on a periodic basis, not less often than monthly. Invoices shall, at a minimum, include the Contractor name, the Contract Number, the Contractor's Federal Employer Identification Number, the billing period, and an itemization of expenses by line item.

Invoices for deliverables shall include an identification of the deliverable; if printed material, a copy of the deliverable; and the date that the deliverable was provided to the Exchange.

Invoices for services billed by the hour shall include the name and title of the individual providing the services, the dates worked, the number of hours worked each day with a brief synopsis of the work performed, the rate being charged for the individual, and the total cost for that person's work during the billing period.

Invoices for expenses, if allowed, shall include a detailed account of expenses specifying the day when and purpose for which they were incurred as well as all receipts, invoices, bills and other available documentation or if no documentation is available, a detailed accounting of the computation used to determine the reimbursable cost, as evidence of the actual cost of such expenses. Such expenses may include, but are not limited to: mileage at current State of Connecticut approved reimbursement rate; costs of travel including coach airfare and hotels; and office expenses such as, phone calls, copying, postage and package delivery incurred in connection with the service pertaining to this Agreement. All expenses will be reimbursed at cost.

The Exchange shall assume no liability for payment for services under the terms of this Agreement until the Contractor is notified that the Agreement has been accepted by the contracting agency.

## SECTION 7 OTHER CONDITIONS

### **A. Entire Agreement**

This Agreement embodies the entire agreement between the Exchange and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind or nature not set forth herein. A copy of Contractor's Work and Staffing Plan are specifically attached herein as Attachment A and fully incorporated herein as part of this Agreement. This Agreement shall supersede all prior written agreements between the parties and their predecessors. Any changes to the Compensation and Staffing Plan, included as part of Attachment A must be approved in writing by the Exchange; approval will not be unreasonably withheld. No changes, amendments, or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties. This Agreement shall inure to the benefit of each party's heirs, successors, and assigns.

### **B. Changes in Service**

When changes in the services are required or requested by the Exchange, Contractor shall promptly estimate their monetary effect and so notify the Exchange. No change shall be implemented by Contractor unless it is approved by the Exchange in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in the services. If the Exchange determines that any change materially affects the cost or time of performance of this Agreement as a whole, Contractor and the Exchange will mutually agree in writing to an equitable adjustment.

### **C. Independent Contractor**

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized, and financed to perform such services. Contractor shall act as an independent Contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall furnish fully qualified personnel to perform the services under this Agreement. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. It is acknowledged that services rendered by the Contractor to the Exchange hereunder do not in any way conflict with other contractual commitments with or by the Contractor.

If applicable, Contractor shall deliver copies of any and all current license(s) and registration(s) relating to the services to be performed under this Agreement to the Exchange, at the time of the execution of this Agreement, as evidence that such are in full force and effect.

### **D. Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services under this Agreement.

### **E. Labor and Personnel**

At all times, Contractor shall utilize approved, qualified personnel and any Exchange approved subcontractors necessary to perform the services under this Agreement. Contractor shall advise the Exchange promptly, in writing, of any labor dispute or anticipated labor dispute or other labor related occurrence known to Contractor involving Contractor's employees or subcontractors which may reasonably be expected to affect Contractor's performance of services under this Agreement. The Exchange may then, at its option, ask Contractor to arrange for a temporary employee(s) or subcontractor(s) satisfactory to the Exchange to provide the services otherwise performable by Contractor

hereunder. The Contractor will be responsible to the Exchange for any economic detriment caused the Exchange by such subcontract arrangement.

Contractor shall, if requested to do so by the Exchange, reassign from the Exchange's account any employee or authorized representatives whom the Exchange, in its sole discretion, determines is incompetent, dishonest, or uncooperative. In requesting the reassignment of an employee under this paragraph, the Exchange shall give ten (10) days notice to Contractor of the Exchange's desire for such reassignment. Contractor will then have five (5) days to investigate the situation and attempt, if it so desires, to satisfy the Exchange that the employee should not be reassigned; however, the Exchange's decision in its sole discretion after such five (5) day period shall be final. Should the Exchange still desire reassignment, then five (5) days thereafter, or ten (10) days from the date of the notice of reassignment, the employee shall be reassigned from the Exchange's account.

#### **F. Conflicts, Errors, Omissions, and Discrepancies**

In the event of any conflict between the provision of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

In case of conflicts, discrepancies, errors, or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Exchange for clarification. The Exchange shall issue such clarification within a reasonable period of time. Any services affected by such conflicts, discrepancies, errors, or omissions which are performed by Contractor prior to clarification by the Exchange shall be at Contractor's risk.

#### **G. Indemnity**

Contractor agrees to indemnify, defend and hold harmless the Exchange from and against all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorneys' fees, costs and expenses of whatsoever kind or nature arising out of the gross negligence or willful misconduct of Contractor in connection with the performance of the Agreement, including those arising out of injury to or death of Contractor's employees or subcontractors.

The Contractor's shall indemnify, protect, defend and hold harmless the Exchange for Claims alleging the breach of, or which otherwise pertain to the violation of intellectual property rights, and/or other proprietary rights of any person or entity (including, but not limited to, copyrighted or uncopyrighted compositions, trade secrets or processes, patented or unpatented inventions, articles or appliances) that are furnished or used by the Contractor and/or any subcontractors under or in connection with this Agreement and/or any bid or proposal which has been submitted for or in connection with this Agreement prior to the effective date of this Agreement.

The Exchange shall give the Contractor reasonable notice of any Claims which are the subject of this Section. The rights provided in this section for the benefit of the Exchange shall encompass the recovery of reasonable attorneys' and other professionals' fees expended in pursuing any Claims against the Contractor and/or any of Contractor's Subcontractors and/or any of either's Related and Affiliated Parties in order to enforce or otherwise obtain the benefit of any of the Exchange's rights under this section.

This section shall survive the expiration or earlier termination of the Agreement, if applicable, and shall not be limited by reason of any insurance coverage.

#### **H. Nondisclosure**

Contractor shall not release any information concerning the services provided pursuant to the Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Exchange. Where disclosure is required by law, legal process, or applicable professional standards notice shall be given to the Exchange at the earliest opportunity in order

to provide the Exchange with an opportunity to intervene or object on behalf of the Exchange, unless the giving of such notice is prohibited by law. The Exchange shall notify Contractor as soon as possible whether or not it intends to object or intervene in a matter in which disclosure by law, legal process, or applicable professional standards is required. If the Exchange fails to notify the Contractor within a reasonable period of time of its intent to object or intervene Contractor may disclose such information. If the Exchange has filed an objection or moved to intervene Contractor shall not disclose such information until such time as any objection or motion to intervene has been ruled upon, unless the Contractor is under legal obligation to disclose such information notwithstanding the filing of such objection or motion.

#### **I. Quality Surveillance and Examination of Records**

All services performed by Contractor shall be subject to the inspection and approval of the Exchange at all times, and Contractor shall furnish all information concerning the services.

The Exchange or its representatives shall have the right, at reasonable hours, to inspect or examine the part of the plant or place of business or any books, records, and other documents of Contractor or its subcontractors pertaining to work performed under this Agreement and shall allow such representatives free access to any and all such plants, places of business, books and records. The Exchange will give the Contractor at least twenty-four (24) hours notice of such intended examination. At the Exchange's request, the Contractor shall provide the Exchange with hard copies or an electronic format of any data or information in the possession or control of the Contractor which pertains to the Exchange's business under this Agreement.

The Contractor shall retain and maintain accurate records and documents relating to performance of services under this Agreement for a minimum of three (3) years after the final payment by the Exchange and shall make them available for inspection and audit by the Exchange. Any subcontractor under this Agreement shall retain and maintain accurate records and documents relating to performance of services under this Agreement for a minimum of three (3) years from the expiration of the subcontract.

In the event that this Agreement constitutes a grant Agreement, and the Contractor is a public or private agency other than another Exchange agency, the Contractor shall provide for an audit acceptable to the Exchange, in accordance with the provisions of Connecticut General Statutes § 7-396a.

The Contractor must incorporate this paragraph verbatim into any Agreement it enters into with any subcontractor providing services under this Agreement.

#### **J. Insurance**

The Contractor, at its sole expense, agrees to secure and keep in full force and effect at all times during the term of this Agreement as defined in Section 2 above the following types and amounts of insurance on the terms specified in this Article, all at no cost to the Exchange:

- (1) Comprehensive Commercial General Liability (CGL) Insurance, including contractual liability coverage, in an amount not less than \$1,000,000 combined single limit (the "CSL Limit") for each occurrence with respect to loss of life, bodily and/or personal injury and/or damage to property under or in connection with this Agreement. Subject to the foregoing, the total (or aggregate) limit of coverage for all accidents during each year of this Agreement shall be a minimum of two (2) times the CSL limit.
- (2) Worker's Compensation and Employer's Liability Insurance in compliance with the laws of the State of Connecticut, which coverage shall include Employer's Liability Insurance with minimum limits no less than:
  - (a) \$100,000 - Each Accident (bodily injury by accident);
  - (b) \$100,000 Disease - Each Employee (bodily injury by disease); and
  - (c) \$500,000 Disease - Policy limit (bodily injury by disease).

- (3) Comprehensive Automobile Liability Insurance which covers motor vehicles, including those hired or non-owned, which are used in connection with this Agreement with a total limit of liability of not less than One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to or death of all persons and/or damage to or destruction of property in any one accident or occurrence.

All of the Contractor's insurers shall be licensed by the State of Connecticut.

The Exchange and its officers, agents, board members and employees (herein, the "Exchange Indemnified Parties") shall be named as additional insureds under the General Liability and Comprehensive Auto Liability Insurance policies. Each insurance policy shall state that the insurance company shall agree to investigate and defend the insured against all claims for damages, even if groundless.

Each liability insurance policy procured or maintained by the Contractor which covers any of the Contractor's activities under, or during the term of, this Agreement shall state that it is primary and non-contributory and shall not be in excess of any other insurance. Any insurance maintained by the Exchange shall be in excess of any and all insurance maintained by the Contractor, and shall not contribute with it.

The Contractor shall be fully and solely responsible for and thus shall pay any and all costs and expenses as a result of any and all coverage deductibles and/or self-insured retentions under any policy(ies) of insurance maintained by it. The Contractor also shall assume and pay all costs and billings for premiums and audit charges earned and payable under all insurance that is maintained by it.

In the event the Contractor provides any architecture, engineering, design, accounting, legal or other professional services under or in connection with this Agreement, each person and entity providing such services also shall be duly licensed and maintain Errors and Omissions Coverage, at such party's sole cost and expense, in an amount not less than \$2,000,000 per claim. In the case of any engineer, architect or other design professional, each such policy must be kept in effect for a period of seven (7) years after substantial completion of the project on or for which any such services are rendered; otherwise the professional involved shall maintain such coverage for a period for at least three (3) years following completion of its work hereunder. If coverage is procured by any professional on a claims made basis, the retroactive date must be the date prior to the professional's commencement of any work under or pursuant to this Agreement or the project to which it relates, whichever is earlier.

Except as otherwise provided above with respect to errors and omissions insurance, all insurance required hereunder also shall be written "occurrence" (as opposed to "claims made") basis.

None of the requirements contained herein as to types, limits, and approval of insurance coverage to be maintained by Contractor are intended to and shall not in any way limit or qualify the liabilities and obligations assumed by Contractor under this Agreement.

Contractor shall deliver Certificates of Insurance relating to all of the above referenced coverages to the Exchange at the time of the execution of this Agreement as evidence that policies providing such coverage and limits of insurance are in full force and effect. Contractor shall provide not less than thirty (30) days advance notice in writing to the Exchange prior to cancellation, termination or alteration of said policies of insurance.

#### **K. Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Exchange or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach, or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

#### **L. Promotion**

Unless specifically authorized in writing by the CEO or the Board of Directors, on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut or the Connecticut Health Insurance Exchange, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies:

- (1) in any advertising, publicity, promotion; or
- (2) to express or to imply any endorsement of Contractor's products or services; or
- (3) to use the name of the Connecticut Health Insurance Exchange, the State of Connecticut, their officials, agencies, or employees or the seal of the State of Connecticut or its agencies in any other manner (whether or not similar to uses prohibited by subparagraphs (1) and (2) above), except only to manufacture and deliver in accordance with this Agreement such items as are hereby contracted for by the Exchange. In no event may the Contractor use the State Seal in any way without the express written consent of the Secretary of State.

#### **M. Confidentiality**

All data provided to Contractor by the Exchange or developed internally by Contractor with regard to the Exchange will be treated as proprietary to the Exchange and confidential unless the Exchange agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents, or other information as designated, whether prepared by the Exchange or others, which may come into Contractor's possession during the term of this Agreement, except where disclosure of such information by Contractor is required by other governmental authority to ensure compliance with laws, rules, or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, the procedure set forth in section 7.H herein shall apply.

#### **N. Subpoenas**

In the event the Contractor's records are subpoenaed pursuant to Connecticut General Statutes § 36a-43, the Contractor shall, within twenty-four (24) hours of service of the subpoena, notify the person designated for the Exchange in Section 4 of this Agreement of such subpoena. Within thirty-six (36) hours of service, the Contractor shall send a written notice of the subpoena together with a copy of the same to the person designated for the Exchange in Section 4 of this Agreement. Such notice shall not be required if providing the notice is strictly prohibited by court order or statute.

#### **O. Survival**

The rights and obligations of the parties which by their nature survive termination or completion of the Agreement, including but not limited to those set forth herein in sections relating to Indemnity, Insurance, Nondisclosure, Promotion, and Confidentiality of this Agreement, shall remain in full force and effect.

#### **P. Americans with Disabilities Act**

This clause applies to those Contractors which are or will become responsible for compliance with the terms of the Americans with Disabilities Act of 1990 during the term of this Agreement. Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. Failure of the Contractor to satisfy this standard either now or during the term of this Agreement as it may be amended will render the contract voidable at the option of the Exchange upon notice to the Contractor. Contractor warrants that it will hold the Exchange harmless from any liability which may be imposed upon the Exchange as a result of any failure of the Contractor to be in compliance with this Act.

## Q. Non-Discrimination

- (a) For purposes of this Section, the following terms are defined as follows:
- i. "Commission" means the Commission on Human Rights and Opportunities;
  - ii. "Contract" and "contract" include any extension or modification of the Contract or contract;
  - iii. "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
  - iv. "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
  - v. "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
  - vi. "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
  - vii. "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;
  - viii. "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
  - ix. "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
  - x. "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Connecticut General Statutes § 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Connecticut General Statutes § 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

- (b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a

notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as they relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the Exchange and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the Exchange of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the Exchange and the Exchange may so enter.
- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the Exchange and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the Connecticut

Health Insurance Exchange to enter into any such litigation or negotiation prior thereto to protect the interests of the Exchange and the Exchange may so enter.

#### **R. Executive Orders**

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, concerning labor employment practices and, as such, this Agreement may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any State or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion.

The Contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, concerning the listing of employment openings and, as such, this Agreement may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction with respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

This Agreement is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace and, as such, the contract may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. 16 is incorporated herein by reference and made a part hereof. The parties agree to abide by such Executive Order.

Pursuant to Governor M. Jodi Rell's Executive Order No. 7C, paragraph 10, promulgated July 13, 2006, concerning contracting reforms, Contractor shall comply with the certification requirements of Connecticut General Statutes §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No 1, for all personal service agreement contracts with a value of \$50,000 or more in a calendar or fiscal year by executing and filing the respective certifications with the Exchange. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. If Executive Orders 7C and 14 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it.

#### **S. Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

#### **T. Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

#### **U. Headings**

The titles of the several sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

#### **V. Third Parties**

The Exchange shall not be obligated or liable hereunder to any party other than the Contractor.

#### **W. Non Waiver**

In no event shall the making by the Exchange of any payment to the Contractor constitute or be construed as a waiver by the Exchange of any breach of covenant, or any default which may then exist, on the part of the Contractor and the making of any such payment by the Exchange while any such breach or default exists shall in no way impair or prejudice any right or remedy available to the Exchange in respect to such breach or default.

#### **X. Contractor Certification**

The Contractor certifies that the Contractor has not been convicted of bribery or attempting to bribe an officer or employee of the Exchange, nor has the Contractor made an admission of guilt of such conduct which is a matter of record.

#### **Y. Large State Contracts**

Pursuant to Connecticut General Statutes §§ 4-250 and 4-252, Contractor must present at the execution of each large State contract (having a total cost to the State of more than \$500,000 in a calendar or fiscal year) an executed gift certification, which Contractor shall update on an annual basis in accordance with paragraph 8 of Governor M. Jodi Rell's Executive Order No. 1. In addition, pursuant to paragraph 8 of Governor M. Jodi Rell's Executive Order No. 1, anyone who executes and files said gift certification shall also execute and file a campaign contribution certification disclosing all contributions made to campaigns of candidates for statewide public office or the General Assembly.

#### **Z. State Contracting Standards Board**

To the extent applicable and pursuant to paragraph 6(a) of Governor M. Jodi Rell's Executive Order No. 7C, Contractor acknowledges and accepts that, for cause, the State Contracting Standards Board may review and recommend, for the Exchange's consideration and final the Exchange determination, termination of this contract. "For Cause" means: (1) a violation of the State ethics laws (Chapter 10 of the Connecticut General Statutes) or Connecticut General Statutes § 4a-100 or (2) wanton or reckless disregard of any State contracting and procurement process by any person substantially involved in such contract or State contracting agency.

#### **AA. Large State Construction or Procurement Contract**

Pursuant to Connecticut General Statutes § 1-101qq, every contractor to a Large State construction or procurement contract shall review the summary of State ethics laws developed by the Office of State Ethics pursuant to Connecticut General Statutes Section 1-81b (the "Summary") and shall promptly affirm to the Exchange in writing that the key employees of such Contractor have received, reviewed and

understand the Summary and agree to comply with the provisions of the State ethics laws. A copy of the Summary is attached and incorporated herein as Attachment B. Further, Contractor shall incorporate and include the Summary in all contracts with any subcontractor or consultant working or assisting the Contractor with the large state construction or procurement contract. Contractor shall require in said contracts that the key employees of any subcontractor or consultant affirm that they have received, reviewed and understand the Summary and agree to comply with the provisions of the State ethics laws. Contractor shall supply such affirmations to the Exchange promptly. "Large state construction or procurement contract" means any contract, having a cost of more than five hundred thousand dollars, for (A) the remodeling, alteration, repair or enlargement of any real asset, (B) the construction, alteration, reconstruction, improvement, relocation, widening or changing of the grade of a section of a state highway or a bridge, (C) the purchase or lease of supplies, materials or equipment, as defined in Section 4a-50 of the Connecticut General Statutes, or (D) the construction, reconstruction, alteration, remodeling, repair or demolition of any public building.

#### **BB. Disclosure of Consulting Agreements**

Pursuant to Connecticut General Statutes § 4a-81, the chief official of the Contractor, for all contracts with a value to the Exchange of fifty thousand dollars or more in any calendar or fiscal year, shall attest in an affidavit as to whether any consulting agreement has been entered into in connection with such contract. Such affidavit shall be required if any duties of the consultant included communications concerning business of such the Exchange, whether or not direct contact with OPM or the Exchange, or public official or State employee was expected or made. As used herein "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State or the Exchange, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of Chapter 10 of the general statutes as of the date such affidavit is submitted in accordance with the provisions of Connecticut General Statutes § 4a-81.

#### **CC. Retaliation Prohibition**

Pursuant to Connecticut General Statutes § 4-61dd, a large state contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract, if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the large state contractor in retaliation for such employee's disclosure of information to any employee of the contracting State or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of Connecticut General Statutes § 4-61dd(a). Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. Each large state contractor shall post a notice of the provisions of this section relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor. As used in Connecticut General Statutes § 4-61dd, a "large state contract" means a contract between an entity and a state or quasi-public agency having a value of five million dollars or more and (2) "large state contractor" means an entity that has entered into a large state contract with the state or quasi-public agency.

#### **DD. Campaign Contribution and Solicitation Prohibitions**

For all State contracts as defined in Connecticut General Statutes § 9-612(g)(1)(2) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign

contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Attachment C.

#### **EE. Non-Discrimination Certification**

Pursuant to Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), every Contractor is required to provide a non-discrimination certificate for all State contracts regardless of type, term, cost or value. The appropriate form must be submitted to the awarding State agency prior to contract execution. Copies of "nondiscrimination certification" forms that will satisfy the statutory requirements may be found on OPM's website. The applicable certification form must be signed by an authorized signatory of the Contractor (or, in the case of an individual contractor, by the individual).

#### **FF. Disclosure of Records**

This Agreement may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, each contract in excess of two million five hundred thousand dollars (\$2,500,000) between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to the Freedom of Information Act (FOIA) and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.

#### **GG. Forum and Choice of Law**

The parties deem the Agreement to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the Exchange, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

#### **HH. Mediation**

Prior to either party's initiating litigation over any dispute or claim arising out of or relating to this Agreement or the services provided hereunder, the parties agree to submit the matter to nonbinding mediation. If mediation is not successful within ninety (90) days of the request by one of the parties for mediation (or such other time period to which the parties mutually agree) the parties may pursue appropriate legal recourse. The parties agree to mediation with the American Arbitration Association with a single mediator and each party shall bear its own costs in mediation. Absent agreement to the contrary, the fees and expense of the mediator shall be shared equally by the parties. The mediation shall take place in the State of Connecticut.

#### **II. Breach**

If either party breaches the Agreement in any respect, the non-breaching party shall provide written notice of the breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) days from the date that the breaching party receives the notice. In the case of a Contractor breach, any other time period which the Exchange sets forth in the notice shall trump the ten (10) days. The right to

cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract Termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the Termination date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date, then the non-breaching party may Terminate the Contract by giving the breaching party not less than twenty four (24) hours' prior written notice. If the Exchange believes that the Contractor has not performed according to the contract, the Exchange may withhold payment in whole or in part pending resolution of the Performance issue, provided that the Exchange notifies the Contractor in writing prior to the date that the payment would have been due in accordance with Section 6.

#### **JJ. Uncontrollable Circumstance**

Notwithstanding anything in this Agreement to the contrary, the parties shall be excused from their obligations hereunder to the extent and for so long as such party shall be prevented from compliance by reason of Uncontrollable Circumstances, provided notice of such inability to comply is given to the other parties to this Agreement as practicable and in any event within thirty (30) days after the occurrence of the applicable Uncontrollable Circumstance.

"Uncontrollable Circumstance" means any event which renders impossible, prevents, interrupts or delays the performance of an obligation of a party to this Agreement, if such event is beyond the reasonable control of such party and which, by the exercise of due diligence, such party would be unable to overcome, including: strikes, lockouts, sit-downs, material or labor restrictions by any Governmental Authority, shortages of material or labor, unusual transportation delays, riots, floods, explosions, earthquakes, fire, unusually unfavorable weather, acts of the public enemy, wars and insurrections.

#### **KK. Time of Essence**

Time is of the Essence under this Agreement.

#### **LL. Limitation of Contractor's Liability**

Except for claims for death, bodily injury, or damage to tangible property, Contractor's maximum liability to the Exchange arising for any reason relating to Contractor's performance of this Contract or any amendment thereto shall be limited to three times the amount of fees paid or owing to Contractor for its performance. In no event and under no circumstances shall the Contractor be liable to the Exchange for any interest, loss of anticipated revenues, earning, profits, data, use or other commercial injury, or any consequential, indirect or special damages.

#### **MM. Additional Staffing Considerations**

The Exchange acknowledges that in connection with the performance of services under the Agreement, Contractor, in its discretion or at the Exchange's direction, may utilize third party service providers within and without the United States to provide, at Contractor's direction, clerical services, including billing, invoicing, and IT support services to Contractor. Notwithstanding the foregoing, pursuant to and in accordance with the procedure set forth in Section 7E. of the Agreement, the Exchange reserves the right to reassign from the Exchange's account any employee or authorized representatives whom the Exchange, in its sole discretion, determines is incompetent, dishonest, or uncooperative.

IN WITNESS WHEREOF, the parties have signed this instrument as of the date first written above.

Signed and delivered in the presence of:

Witnesses

*[Signature]*  
Print Name: LOUIS G. TARRACONE  
*[Signature]*  
Print Name: ROGER L. ALBRITTA JR -

KPMG LLP

By: *[Signature]*  
Print Name: PAUL HENCOSKI  
Title: PRINCIPAL

Connecticut Health Insurance Exchange

By: *[Signature]*  
Print Name: Tia Cintron  
Title: ACTING CEO

\_\_\_\_\_  
Print Name:  
\_\_\_\_\_  
Print Name:

# ATTACHMENT A

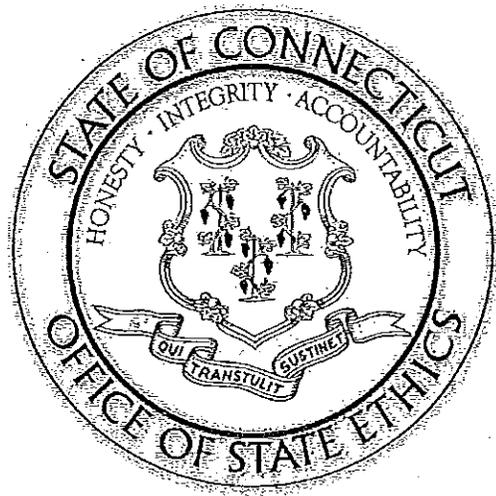
## State of Connecticut Exchange

### KPMG Staffing

Name	Role	KPMG/Subcontractor
Paul Hencoski	Engagement Partner	KPMG
Lou Tarricone	Project Manager	KPMG
Roger Albritton	Business Requirements Lead	KPMG
Kshitish Soman	Technical Lead	KPMG
Anya Vassilieva	Healthcare Regulations Compliance Analyst	KPMG
Zoya Trachevskaya	Business Requirements Analyst	KPMG
Nina Lund	Selection Assistance Lead	KPMG
Shasha Huang	Insurance Support Analyst	KPMG
Gautam Kini	PMO Assistant	KPMG
Rob Marchant	Technical Analyst	Subcontractor
Kerry Connolly	Customer Service Support Lead	Subcontractor
Erica Heintz	Customer Service Support Analyst	KPMG
Priya Jayarangan	Business Requirements Analyst	KPMG
Ian Gilmour	Enterprise Architect SMP	Subcontractor
Roger Abbott	Enterprise Architect SMP	Subcontractor
Mark Jamilkowski	Healthcare Insurance SMP	KPMG
Bennett McEwan	Health Exchange IT Architect	KPMG
Lisa Stimson	Connecticut Health Insurance Market SMP	KPMG
Margaret Hermann	Health Plans SMP	KPMG
Mara McCoy	Medicaid and MITA Requirements Analyst	KPMG
Pritpal Bhogal	Security and HIPAA SMP	KPMG
Gregory Schuett	Customer Service SMP	KPMG
Lorna Stark	National HIE Advisor	KPMG
Harvey Levin	State Health Exchange Advisor	KPMG
Patrick Holland	Health Exchange Advisor	Subcontractor
Jon Kingsdale	Health Exchange Advisor	Subcontractor
Patrick Sue	Information Architect	Subcontractor
Wakely TBD	Business Analyst	Subcontractor
Jonathan Pinchefsky	Technical Analyst	Subcontractor
Shaun Dookhoo	Technical Manager	Subcontractor
Amit Sachde	Enterprise Architect	KPMG
Sandy McBride	Exchange Operations Advisor	Subcontractor

# **ATTACHMENT B**

## **Guide to the Code of Ethics For Current or Potential State Contractors**



## ATTACHMENT C

### **NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN**

This notice is provided under the authority of Connecticut General Statutes Section 9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

#### **Campaign Contribution and Solicitation Limitations**

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

#### **Duty to Inform**

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

#### **Penalties for Violations**

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

**Civil penalties**—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring

notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

### Contract Consequences

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

### Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per

cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any

candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

## **INTRODUCTION**

The Connecticut Office of State Ethics (OSE) is an independent regulatory agency for the state of Connecticut, charged with administering and enforcing the Connecticut Codes of Ethics, located in the Connecticut General Statutes, Chapter 10.

The Ethics Codes under the OSE's jurisdiction are comprised of:

- The Code of Ethics for Public Officials (Part I);
- The Code of Ethics for Lobbyists (Part II); and
- Limited jurisdiction over Ethical Considerations Concerning Bidding and State Contracts (Part IV).

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. Please review the Advisory Opinions and Declaratory Rulings on our website or contact the Legal Division of the OSE with any questions regarding interpretation of the law.

For more information on the subjects discussed in this guide, call, write or visit:

**Connecticut Office of State Ethics**  
18-20 Trinity Street Suite 205  
Hartford, CT 06106

860/263-2400  
[www.ct.gov/ethics](http://www.ct.gov/ethics)



### *Citizen's Ethics Advisory Board:*

**G. Kenneth Bernhard, Chairperson** (through September 2011)  
**Thomas H. Dooley, Vice Chairperson** (through September 2012)  
**Ernest Abate** (through September 2011)  
**Kathleen F. Bornhorst** (through September 2012)  
**Rebecca M. Doty** (through September 2011)  
**General David Gay, (ret.)** (through September 2013)  
**Dennis Riley** (through September 2013)  
**Winthrop Smith, Jr.** (through September 2013)  
**Shawn T. Wooden** (through September 2013)

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## **THE OFFICE OF STATE ETHICS (OSE)**

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public and that are often covered by CT-N. A schedule of CEAB meeting dates, times and locations is available on the OSE's Website, [www.ct.gov/ethics](http://www.ct.gov/ethics).

The OSE is an independent watch dog agency for the state of Connecticut that administers Connecticut General Statutes, Chapter 10, Parts I and II, with limited jurisdiction over Part IV.

Simply put, the OSE educates all those covered by the law (the "regulated community"); provides information to the public; interprets and applies the codes of ethics; and investigates potential violations, and otherwise enforces the codes.

The OSE is made up of the following components:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

## **THE BIG PICTURE**

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (hence forth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

As you read through this guide be aware that these laws were enacted to prevent individuals from using their public position or authority for personal, financial benefit.

**Each state agency also has its own ethics policy, which in many cases may be more restrictive than what follows. Be sure to obtain a copy of the agency's policy before you attempt to provide any benefit to an agency official or employee.**

## **GIVING BENEFITS TO STATE PERSONNEL**



### **Gifts**

As a current or potential state contractor, you are presumably doing business with or seeking to do business with a state agency, and are therefore considered to be a **restricted donor**. In general, public officials, state employees and candidates for public office may not accept gifts from restricted donors.

#### Restricted Donors

Restricted donors include:

- Registered lobbyists (a list is available on the OSE's Website) or a lobbyist's representative;
- Individuals or groups doing business with a state department or agency;
- Individuals or groups seeking to do business with a state department or agency;
- Individuals or groups engaged in activities regulated by a state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

A gift is defined as anything of value that is directly and personally received by a public official or state employee (or sometimes family members of those two categories) *unless* consideration of equal or greater value is provided. Conn. Gen. Stat. §1-79 (e).

Gift Exceptions There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) –(17) for the complete list.

*Token Items* – Restricted donors such as current or potential state contractors may provide any item of value that is not more than \$10 (such as a pen, mug, or inexpensive baseball cap) to a public official or state employee, provided that the annual aggregate of such items from a single source is \$50 or less. Conn. Gen. Stat. § 1-79 (e) (16).

*Food and Beverage* – Restricted donors may also provide less than \$50 worth of food and beverage in a calendar year to a public official or state employee, provided that the restricted donor or his/her representative is in attendance when the food and/or beverage is being consumed. Conn.Gen.Stat.§1-79 (e) (9).

*Training* – Vendors may provide public officials and state employees with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn.Gen.Stat.§1-79 (e) (17).

*Gifts to the State* – Restricted donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. §1-79 (e) (5).

*Other Exceptions* – There are a total of 17 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (17).

**Note:** The popularly-cited exception for major life events does not apply to those who are regulated by, doing business with or seeking to do business with a state agency. The only restricted donor that can make use of this very narrow exception is a registered lobbyist.

#### Gift Provisions

*Example: You are in the process of submitting a contracting bid to a state agency. You provide the agency head with a gift certificate for \$45 to a popular West Hartford eatery for her to use on her own. You have not previously given anything of value to this individual.*

*Even though you are under the permissible \$49.99 food and beverage limit, this gift is not allowed because you or your representative will not be in attendance while the food and beverage is being consumed.*

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#### Reporting Requirements

Should you or your representative give something of \$10 or more in value to a public official or state employee, you must, within 10 days, give the gift recipient and the head of that individual’s department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to that recipient during the calendar year.



This helps both you and the state employee keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. §1-84 (o). A courtesy form is available for this notification on the OSE’s Website, in the “Forms” section.

## Necessary Expenses

You may provide necessary expenses to a public official or state employee *only* if the official or employee, in his/her official capacity, is actively participating in an event by giving a speech or presentation, running a workshop, or having some other active involvement.

Necessary expenses are limited to:

- Travel (coach or economy class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.



Conn. Gen. Stat. § 1-79 (9).

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are *not* necessary expenses. Necessary expense payments also *do not* include payment of expenses for family members or other guests.

## Fees/Honorariums

Public officials and state employees may *not* accept fees or honorariums for an article, appearance, speech or participation at an event in their official capacity.

Fees or honorariums for such activities, if offered based solely on expertise and without any regard to official capacity, may be acceptable. Contact the OSE before offering such payment to an official or employee. Conn. Gen. Stat. § 1-84(k).



### Necessary Expenses, Fees and Honorariums

*Example: You invite a state employee to travel to New York City to give a speech to your managers on issues surrounding contracting with a state agency. You provide Amtrak fare for the employee as well as his spouse, who will spend the day in the city. The evening of the speech, you will treat the employee and his spouse with complimentary tickets to a Broadway show in lieu of a speaking fee.*

*You may provide non-first class travel expenses only to the state employee who is actively participating in an event. In this case, you may only provide Amtrak fare for the employee giving the speech, not his spouse. Entertainment costs, such as tickets to a show, are not considered necessary expenses and may not be provided.*

*Additionally, state employees may not accept fees or honorariums for a speech given in their official capacity.*

## HIRING STATE PERSONNEL

### Post-state Employment (Revolving Door)

If you are considering hiring a *former* state employee, you should be aware of the Code's post-state employment, or revolving door, provisions.

#### Lifetime Bans

- Former state employees may never disclose any confidential information they learned during the course of their state service for anyone's financial gain. Conn. Gen. Stat. § 1-84a.
- A former state official or employee may never represent anyone other than the state regarding a particular matter in which he or she was personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching. Conn. Gen. Stat. §1-84b (a).

#### One-year Bans

- If you hire or otherwise engage the services of a former state official or employee, he or she may not represent you before his or her former agency for a period of one year after leaving state service. Conn. Gen. Stat. §1-84b (b). (See Advisory Opinion 2003-3, which provides a limited exception to this provision if the employee is providing purely technical expertise to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)
- You are prohibited from hiring a former state official or employee for a period of one year after he or she leaves state service if that individual was substantially involved in, or supervised, the negotiation or award of a contract (that you or your business was a party to) valued at \$50,000 or more, and the contract was signed within his or her last year of state service. Conn. Gen. Stat. §1-84b(f).
- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within one year of leaving the agency. Likewise, such businesses may not hire those employees. Note that there is an exception for *ex-officio* board or commission members. Conn. Gen. Stat. §1-84b (c).

*Post-state Employment Example: You run a hospital regulated by the Office of Health Care Access (OHCA). You would like to offer a job to the former Commissioner of OHCA, who has been out of state service for 5 months.*

*Because the hospital is regulated by a state agency whose Commissioner is specifically designated in 1-84b (c), the former head of such agency would not be permitted to accept employment with you for one full year after leaving state service. See Advisory Opinion 2003-19.*

## Outside Employment for Current Public Officials and State Employees

If you are considering hiring a *current* state employee, especially from a state agency with which you do business or by which you are regulated, you should be aware of the following rules regarding the employment of current state employees.

- A current state employee may not accept outside employment that impairs his or her independence of judgment regarding his or her state duties, or that encourages him or her to disclose confidential information learned in his or her state job. Conn. Gen. Stat. §1-84 (b).
- A current state employee may not use his or her state position for his or her own financial gain or the gain of his or her family (spouse, child, child's spouse, parent, brother or sister) or an associated business, however inadvertent that use may be. Conn. Gen. Stat. §1-84(c).

### Other Considerations

Business entities engaged in Indian gaming activities in the state should be aware of specific provisions that apply to present or former Gaming Policy Board or Division of Special Revenue public officials or employees. See Conn. Gen. Stat. §§1-84b (d) and (e).



### Outside Employment

*Example: Your small business occasionally receives grants or contracts from Agency X. You know that a particular contract manager with Agency X has the skills you need to help you grow your business. This employee has expressed interest in earning a little extra money for himself, while helping you with your business in the evenings and on weekends.*

*It would constitute an impermissible impairment of judgment for the employee of Agency X, who has contract management responsibilities, to accept outside employment with your business – a business that receives grants or contracts from Agency X.*

## **OTHER PROVISIONS**

### **Prohibited Activities for Consultants or Independent Contractors**

If you are hired by the state as a consultant or independent contractor, you are prohibited from the following:

- Using your authority under the contract or any confidential information acquired during the course of the contract for your financial gain or the financial gain of your immediate family;
- Accepting another state contract that would impair your independence of judgment or your performance in your existing state contract; and
- Accepting anything of value based on the understanding that your actions on behalf of the state would be influenced.

Conn. Gen. State § 1-86e (1)-(3); see also Conn. Gen. Stat. § 1-101nn.

### **Gift and/or Campaign Contribution Certifications**

Contractors seeking large state contracts must provide certifications regarding gifts and/or campaign contributions made to certain state employees or public officials in the two-year period prior to the submission of a bid or proposal. Copies of these certifications and



other updated information regarding state contractors can be found on the Web sites of the Department of Administrative Services ([www.das.state.ct.us](http://www.das.state.ct.us)) and the Office of Policy and Management ([www.opm.state.ct.us](http://www.opm.state.ct.us)).

### **Investment Services and the Office of the Treasurer**

If you or your business provides investment services, as defined in the Code, and you make a political contribution to the State Treasurer's campaign, you may be prohibited from contracting with the Office of the Treasurer. See Conn. Gen. Stat. § 1-84 (n).

### **Registering as a Lobbyist**

If you or your business spends or receives over \$2,000 in a calendar year for activities that constitute lobbying under Part II of the Code of Ethics (whether to affect legislation or the actions of an administrative state agency), you/your business may have to register as a lobbyist with the Office of State Ethics. Lobbyist registration information is available at [www.ct.gov/ethics](http://www.ct.gov/ethics).

### **Contribution Ban for Communicator Lobbyists**

(Conn. Gen. Stat. § 9-610 (g) and (h).) Registered communicator lobbyists, their affiliated political action committees (PACs), as well as members of their immediate families are banned from soliciting or donating political campaign contributions. Please contact the State Elections Enforcement Commission at 860-256-2940 for more information.

**Sessional Contribution Ban for Client Lobbyists** (Conn. Gen. Stat. § 9-610 (e).) Registered lobbyists and their affiliated political action committees (PACs) are banned from soliciting or donating political campaign contributions. Specifically, there is a temporary ban while the General Assembly is in session that applies to all registered client lobbyists and their affiliated PACs. Please contact the State Elections Enforcement Commission at 860-256-2940 for more information.

### **Public Act 05-287**

Public Act 05-287 prohibits anyone who is a party (or seeking to become a party) to a large state construction, procurement, or consultant services contract over \$500,000 from:

- Soliciting information from a public official or state employee that is not available to other bidders for that contract, with the intent to obtain a competitive advantage;
- Intentionally or recklessly charging a state agency for work not performed or goods or services not provided;
- Falsifying invoices or bills; or
- Intentionally violating or circumventing state competitive bidding and ethics

This Act also requires any prospective state contractor to affirm in writing that he or she has received a summary of the state's ethics laws and that his or her key employees have read and understood the summary and agree to comply with the applicable provisions. Conn. Gen. Stat. §1-101qq.

An affirmation form is available through the Connecticut Office of Policy and Management.

### **Executive Orders**

Executive Order 3 Under this Order, the Department of Administrative Services established and maintains on its Website the State Contracting Portal for purposes of posting all contracting opportunities with state agencies and providing information on contracting processes and procedures.

Executive Order 7C This Order covers the State Contracting Standards Board, established to conduct a comprehensive review of existing procurement and contracting laws and prepare a uniform code to govern all aspects of procurement and contracting.

The full text of these Executive Orders can be found on the Governor's Website, [www.ct.gov/governorrell/site/default.asp](http://www.ct.gov/governorrell/site/default.asp).

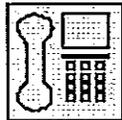
## FOR MORE INFORMATION

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. For more information regarding the Code of Ethics as it pertains to current or potential state contractors, please contact the Legal Division of the Office of State Ethics, Monday – Friday, 8:30 a.m. to 5:00 p.m.

Office of State Ethics  
18-20 Trinity Street  
Hartford, CT 06106-1660



T: 860/263-2400  
F: 860/263-2402  
[www.ct.gov/ethics](http://www.ct.gov/ethics)



### Specific Contacts:

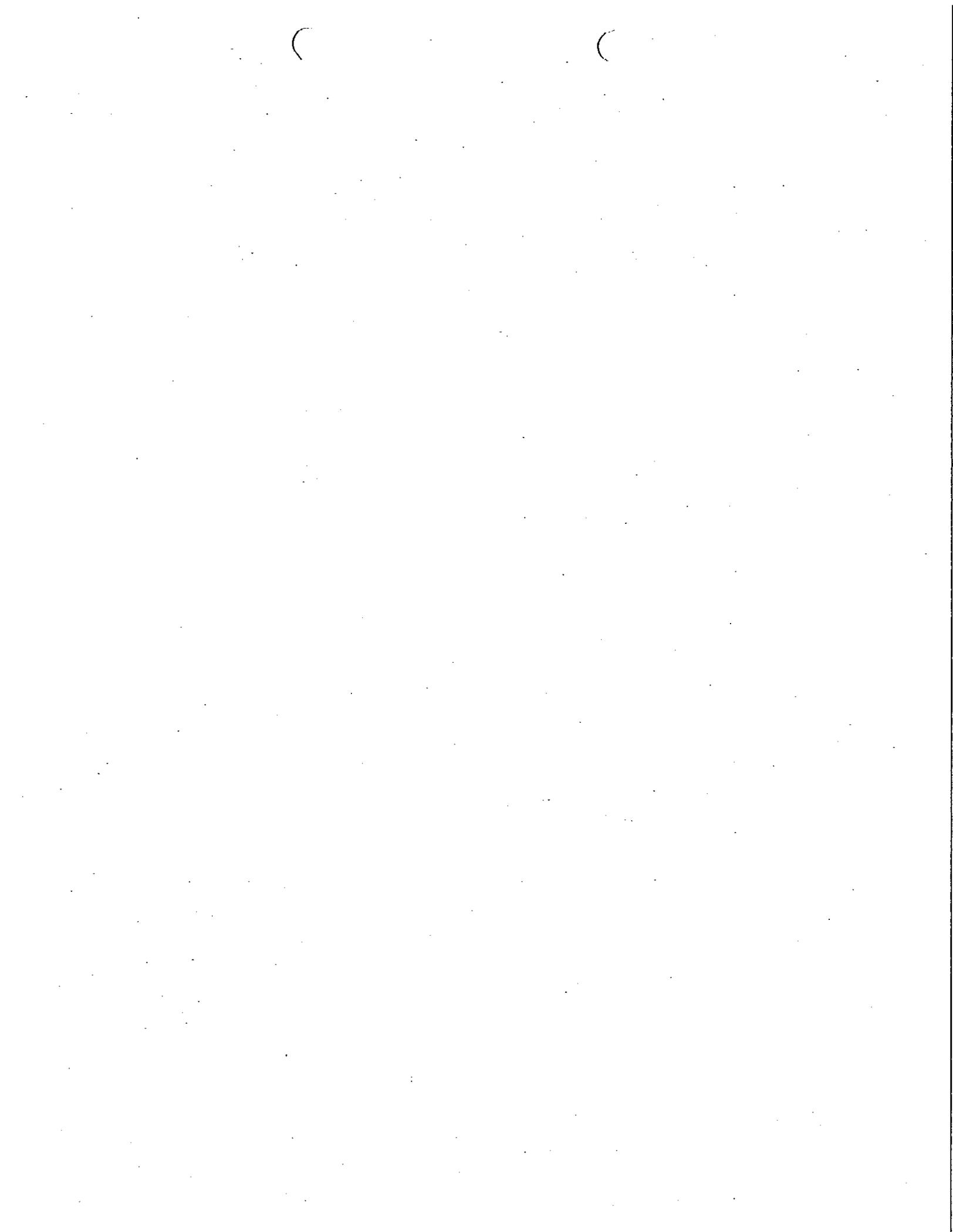
Questions or advice regarding the Ethics Codes: [Ethics.Code@ct.gov](mailto:Ethics.Code@ct.gov)

Lobbyist filing/reporting questions: [lobbyist.OSE@ct.gov](mailto:lobbyist.OSE@ct.gov)

Public official filing/reporting questions: [SFI.OSE@ct.gov](mailto:SFI.OSE@ct.gov)

Enforcement questions: [Ethics.Enforcement@ct.gov](mailto:Ethics.Enforcement@ct.gov) All other inquiries: [ose@ct.gov](mailto:ose@ct.gov)





# APPENDIX 1

## Section 4 – Statement of Work

<b>RFP Requirement</b>	<p>a. <b>Work Plan:</b> Provide a detailed, task-oriented breakdown for each activity/task in the Scope of Services and Project Deliverables. Bidders must realize that the Scope of Services represents the minimum work that must be conducted and it is strongly encouraged for bidders to propose other options as appropriate to achieve the same results, based on their experience. Include all conceptual alternatives briefly describing any alternative methods for the development of models that have been used in other states. Proposers wishing to add activities/tasks to those specified in the Scope of Services must show the additions as separately numbered activities/tasks. It is important to note that respondent should provide a single proposal for Workstream I and II with a clear delineation by Workstream within the approach and methodology.</p>
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Within this section KPMG elaborates our proposed approach toward assisting the State with the design and development of implementation options for the Connecticut Health Insurance Exchange. As outlined in the RFP, our approach is summarized under two separate sections (Workstream I and Workstream II). The approach focuses on building effective and efficient business process and IT requirements, as well as identifying viable options for creating a system that will generate a unique customer experience and provide assistance support. The business and IT requirements as well as the customer assistance systems assessment are intended to be performed in parallel as requested in the RFP and considerations for doing so are described in the following section. The cost estimation option steps are also performed with a goal of identifying the Preferred Option for implementation and the development of a procurement plan.

Throughout the Work Plan, KPMG proposes to leverage tested KPMG methodologies and repeatable tools specifically created to assist states with the implementation planning of exchanges. We have already used these on other similar engagements and will also employ them to help develop a tailored step by step plan to develop an Exchange that addresses key technical requirements and reflect Connecticut exchange leadership decisions with regards to the HBE functionality, interoperability, sustainability, and customer experience.

It is our understanding that the preliminary planning of the HBE, including the IT systems assessment and Gap analyses, will have been completed by the State as part of the Planning Grant efforts, and the proposed work plan will leverage, and update if necessary, any pertinent and available documentation relating to the HBE planning and design, as relates to further development and implementation plans, as required in the RFP.

## **4.1 Workstream I – Requirements for Business Process and IT Operations**

The objective of this workstream is to assist the State in moving from planning through requirements and into the needed procurement activities for establishment of the HBE. Given the timeline constraints and the unique needs of the State, KPMG has tailored its methodologies to provide an agile means of addressing the challenges. As described in previous sections, KPMG has done similar work in various other states so we have a collection of artifacts, templates, and inputs that accelerate the requirements creation, development of the IT architectural model, procurement strategy, cost estimates, and implementation plan creation. The specifications for preferred options and RFP creation processes will be tailored based on the inputs from the other phases as well as State specific needs. Additionally, many of the activities within the various task areas are guided by federal and state guidelines, standards, methodologies, and frameworks.

In the sections below we describe the various task areas, activities, and reference materials as well as additional tasks that we might need to perform in order to provide the State with deliverables required to complete the objectives of Workstream I. The project activities and deliverables as well as format/content of the various work products and deliverables are described in this section below.

### **4.1.1 Develop Business Process and IT Requirements**

The objective of this task is to develop the business process and IT systems requirements for a fully functioning Exchange. The overall goal is to be able to simulate a consumer interaction process, including benefit selection, enrolment, and financial accounting, among other Exchange functions. KPMG's Business Process Analysis and Requirements Definition (BPA/RD) approach has been used in several states to define the future state business and technical process/models as well as document detailed functional and technical requirements including use cases. This methodology also provides guidance in terms of reuse components either from the planning phase or from our reference models developed in prior engagements with other states as well as outputs from the previous steps. In order to accelerate the timelines and manage capturing of business and technical requirements concurrently, we will use facilitated workgroup sessions for each work product development. Our experience with several other states in developing Exchanges allows our team to start with a reference model that will be customized for Connecticut's specific needs.

The HBE Logical Component Model illustrates the logical information systems that are needed to fulfill the requirements for a complete HBE.

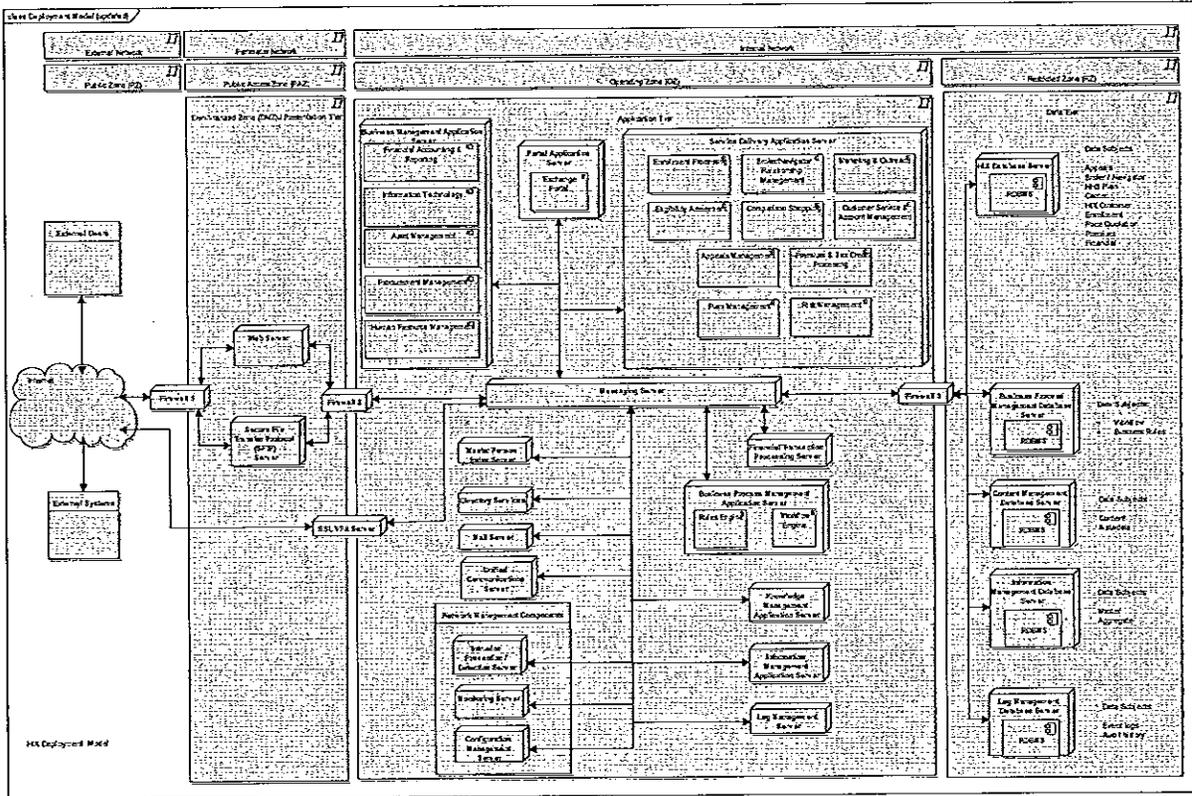
## Logical Component Group Descriptions

<i>Business Management Components</i>	Components that enable the management processes of the exchange. These are the components that are mainly used for managing the Health Information Exchange resources (e.g., asset management, human resources management).
<i>Core Business &amp; Service Delivery Components</i>	Components that enable the core processes and the service delivery processes of the exchange. These are the components that contain the core functionality used in the Health Information Exchange (e.g., eligibility assessment, enrollment processing, etc.)
<i>Channel Interface Components</i>	Components used for managing the communications that occur between the Health Insurance Exchange and external stakeholders. This includes functional components such as unified communications technology and portal software. Lessons learned and requirements gathered from Workstream II will help inform these components and drive the strategic focus the State has on user experience and customer service delivery.
<i>Common Enabling Components</i>	Common enabling components enable the core service delivery components and the business management components. Core service delivery and business management components are supported by these underlying enabling technology components (e.g., information management, business process management, etc.)
<i>Technical Support Components</i>	Technical support components are the underlying technologies that are used by other components (e.g., rules engine, workflow engine, etc.)

The detailed version of our reference HBE Logical Component Model shown on the next page will help provide a baseline for our efforts during this task. All of the components within the component groups, described above, are illustrated. The reference model has been aligned with the CMS Reference Architecture. Ongoing changes in the federal model, state specific requirements, and the chosen implementation option have the potential to change the model.



The reference model for the IT Architectural model is depicted below. It has been KPMG's experience that while there are state specific considerations, the federal and state standards, and applicable guidelines, the variations in the IT Architectural model are insignificant. Once the final implementation option has been identified (in Section 4.1.3) the implementation plan (Section 4.1.4) will depict the model selected by the State for your HBE.



We will use the above reference models as a starting point for the activities listed below:

Activity 1 – Develop high-level business processes flows, maps, and external dependencies based on inputs from steps identified in Section 4.1.1

Activity 2 – Conduct up to one (1) functional workgroup sessions per component area as identified in figure 3 HBE Logical Component Model or up to total of twenty seven (27) workgroup sessions to review the work products developed in activity 1.

Additionally KPMG will also conduct up to seven (7) technical workgroup sessions to refine the IT architectural model to identify changes required for the state. Any outstanding items from the initial sessions will be covered in subsequent sessions. Since this will be a facilitated walkthrough and in order to meet the State's timeline, we expect to obtain concurrence from the State within three (3) business days of completion of the last session for each functional area. We have found this type of facilitated work group process to be very effective in obtaining quick and informed

stakeholder buy in Note that we anticipate the workgroup sessions to be no longer than four (4) hours.

Activity 3 – Based on the approved work products from activity 2 and a baseline set of requirements from KPMG's reference model, we will document the detailed business and technical requirements as well as document vignettes, developed in Microsoft Visio, that reflect the updated business requirements.

Activity 4 – KPMG will then conduct up to one (1) facilitated walkthrough sessions per vignette or up to a total of twenty seven (27) vignette workgroup sessions and up to one (1) technical workgroup sessions per zone (e.g. Service delivery application server, business management application server) or up to seven (7) technical workgroup sessions to confirm that the requirements have been captured accurately. Any outstanding items from the initial sessions will be covered in subsequent sessions. Since this will be a facilitated walkthrough, we expect to obtain concurrence from the State within three (3) business days of completion of the last session for each vignette or technical components.

#### **4.1.2 Develop Procurement Strategy Options & Preliminary Cost Estimates**

The Procurement strategy will largely depend on various decision points for desired systems functionality and extent of Exchange services desired by the State as outlined in previous tasks. KPMG will develop options that will be presented to the State, for the State's decision making, to see that the proposed solutions are aligned with the State's current initiatives as well as policy decision outcomes. We understand that the focus is on making a decision to either outsource, or in-house operation of the Exchange, with various hybrids, joint venture arrangements reflecting a combination of the above.

##### **4.1.2.1 Create Options for Vendor Operated vs. Outsourced Model for Operations**

While identifying the procurement options, our goal is to identify potential likely scenarios, describing the systems, functionality, and costs relating to each, and presenting these options to decision-makers for evaluation and selection of the better option. To arrive at various options, KPMG uses a Costing Method where baseline systems functionality is defined based on the IT system goals and functionality as identified in Task 4.1.1, and as agreed upon by the State throughout the process.

Based on the IT solution options selected by the State, we will document an estimate of the anticipated total implementation costs including annual operations, support, and maintenance.

We will use another of our firm tools previously developed for this purpose, the Cost Model Template. This template uses information gained through investigation into what is required for a project's success – both strategic (projects which directly implement business strategies and/or target technologies) and tactical (projects which exploit current technologies in the short term – ultimately to be replaced). To facilitate this process, the projects under investigation are typically broken down into a series of delivery and operation work packages and includes one or more of the following work packages:

- Delivery Work Packages
  - Application Delivery & Design
  - Commercial Software Package (COTS) Acquisition
  - Building Block Software Acquisition
  - Infrastructure Delivery
  - Current System Integration
  - Conversion
  - IT Enabling
  - Business Enabling
- Operating Work Packages
  - Application Component Operations Work Packages
  - Common Building Block Operations Work Packages
  - Infrastructure Component Operations Work Packages
  - COTS Operations Work Packages
  - Other Operations Work Packages

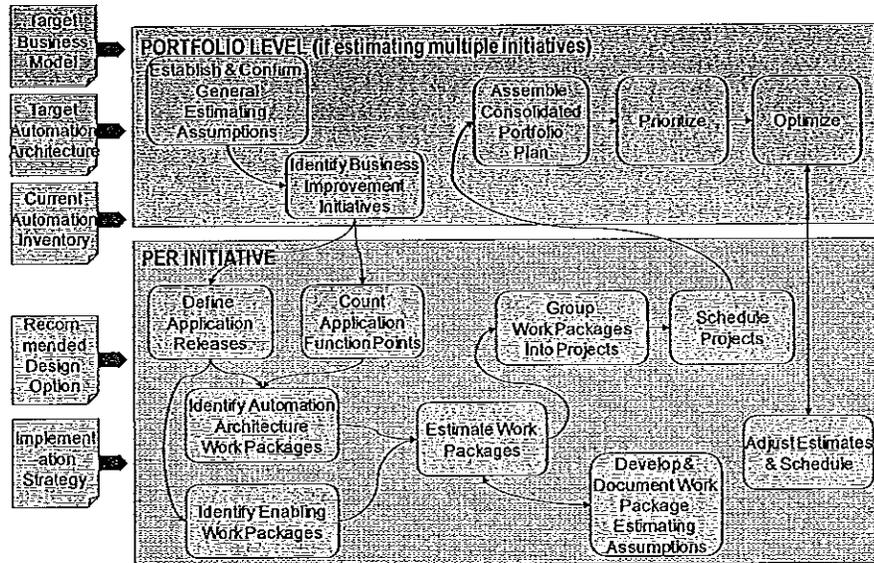
The work package estimates are developed iteratively and reviewed. The first iteration generates numbers, and subsequently undergoes a high-level review to refine, validate, and confirm each of the planning assumptions made, and gain some confidence in the estimates. The costs are estimated by referencing the detailed business process requirements and impacts identified for each initiative, and building up an estimate from the preliminary process and requirements documentation developed to date.

As discussed previously, the cost model template does not need to include all of these delivery packages, but only those suitable for the desired implementation. For example, the cost model may be used to create a high, medium, and low cost for implementation depending on the level of effort required.

#### 4.1.2.2 Create Options for Self Operated Model

Using the same Cost Model, as described above, we will create a scenario for a self-operated option, where the state takes on the operation of an Exchange, with minimal or no outsourcing costs. Our focus is on identifying an appropriate systems integration option and maximization of reuse of the existing systems while maintaining lower costs. The diagram below shows, at a high level, the process of fulfilling the Cost Estimating Model.

## Cost Model Template Approach



## Cost Model Outputs

The cost model can produce a range of outputs in both tabular and graphic format. These outputs can provide annual and quarterly requirements for both financial resources and human resources required to implement the Exchange solution. An example illustrated below outlines typical cost model outputs for an Exchange solution with two major software releases:

- An initial release in late 2013 to begin selling health insurance (Open Enrolment)
- A later release in late 2014 for more extensive and robust Exchange functionality (Exchange to be Self Sustaining).

Based on the model output, KPMG will provide cost estimations for the desired IT implementation scenario, an example of the cost model output (Figure 12) is shown on the below.

**Example Cost Model Output**  
**Yearly Expenditures**

Yearly Expenditures in \$'000

Initiative	Name	Total Cost	Year 1	Year 2	Year 3	Year 4
1019	HBE Release 1 Hybrid Option Delivery – Mobilization, Requirements, Strategy and Procurement Process					
1015	HBE Software Packages Deployment					
1011	HBE Release 1 Delivery – Back Office Configuration					
1003	HBE Release 1 Delivery – Hybrid Option – Service Delivery Configuration / Build					
1020	HBE Release 1 Integration and Conversion					
1010	HBE Release 1 Infrastructure Delivery					
1017	HBE Release 1 Implementation					
1021	HBE Release 2 Delivery – Mobilization and Requirements – Option 2					
1016	HBE Release 2 Delivery – Back Office Configuration					
1004	HBE Release 2 Delivery – Hybrid Option – Service Delivery Configuration / Build					
1018	HBE Release 2 Implementation					
1999	Program Management					

**Yearly Expenditures in \$'000**

<b>Initiative</b>	<b>Name</b>	<b>Total Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
<b>1998</b>	Program Infrastructure and Expenses					
	<b>Totals in \$'000s</b>					

KPMG will provide a written report summarizing a recommended procurement approach, outlining purchasing strategy options and high level cost estimates for each option. Each option will be described given the cost and benefit assessment, constraints, risk profile, and a preliminary life-cycle cost estimate. Options will include:

- Vendor Operated/Outsourcing Model for operations
- Self Operated Model
- IT – Buy Commercial off the Shelf (COTS) components available for purchase
- IT – Build
- IT – Reuse platforms or components from Early Innovator States
- IT – Enhance existing State owned systems
- Hybrids, joint ventures and/or combinations of above

Given that the HBE is a relatively new concept with a limited number of operational exchanges, there are considerable risks in the design-build phases of the life cycle of the HBE solution. These include:

- Time to market – The HBE solution must meet very aggressive deadlines for functionality by 2014
- Policy uncertainty – HBE legislation and regulations are being developed concurrently with HBE design
- Inter-operability – The HBE solution must be designed and built to be highly inter-operable with a wide variety of technology solutions in the HBE “ecosphere” including systems operated by carriers, brokers, businesses, State of Connecticut and the federal government. The solutions operated by HBE stakeholders may not be designed for inter-operability and the IT departments of these stakeholders may not have significant experience with operating within a sector-wide distributed processing environment.
- Cost management – There is considerable risk that design-build costs will exceed initial estimates given the policy uncertainty, time to market pressures, and inter-operability risks.

- HHS modernization – From an IT perspective, the intention is that a HBE solution should support the modernization of Connecticut's legacy HHS systems. Focusing too narrowly on the requirements of the HBE could undermine the larger modernization agenda.
- Federal government funding – The federal government has developed a HBE implementation funding strategy that assumes that states that are not early innovators will leverage solutions developed by early innovators.

Our deliverable will also contain a high level risk assessment of the options to assist the state in identifying the preferred option (described in the next section). A sample solution implementation option and associated risk assessment is depicted below.

### Sample Solution Implementation Options

Option	Description
<b>Reuse</b>	Reuse functional or technical components from existing Connecticut IT assets
<b>Build</b>	Develop the HBE solution using application development tools and supporting technology components (e.g.: SQL Server, Oracle, .NET, Java, etc.).
<b>Configure</b>	Acquire, configure and integrate one or more Commercial of the Shelf (COTS) packages to build the HBE solution.
<b>Leverage</b>	Leverage solutions from early innovator states, or the federal government. Acquired systems would be configured and customized to meet the needs of Connecticut.
<b>Hybrid</b>	This option could involve any of the above options. Some components could be built, purchased from a COTS vendor, or acquired from another state or the federal government.

### Sample Solution Implementation Option Risk Summary

Risk	Reuse	Build	Configure	Leverage
Time to Market	↓	↑	↓	↑
Policy Uncertainty	↓	↓	↓	↑
Inter-Operability	↑	→	→	↓

Risk	Reuse	Build	Configure	Leverage
Cost Management	↑	↑	↓	↓
HHS Modernization	→	→	→	↓
Federal Funding	↓	↑	↑	↓

#### 4.1.3 Specifications for Preferred Option(s)

##### 4.1.3.1 Present up to Three Options for Evaluation and Decision-Making

Using the listing of implementation options identified under Task 4.1.2, KPMG will assist the Connecticut Exchange in developing technical specifications with regards to the State's Preferred Options for further costing and consideration. The desire to pursue one option as compared to another will be based on the State's decisions as it relates to the potential insurance exchange including:

- Decision to "buy" versus "build" the Exchange functionality/ systems
- Desired level of real-time interfaces between the legacy systems and the Exchange, and a desired solution to creating further interfaces
- Desired level of system outputs (Note: The State will provide information on high, medium, and low population scenarios)
- Overall policy decisions relating to IT infrastructure development and modernization, including budgets and timing
- Ability to leverage current in-flight initiatives

Based on the IT systems goals as identified in the previous task, we will propose potential IT system requirements that address the Connecticut Exchange's business requirements as well as seek to align with the goals for the operational activities required of the State HBE including:

- Identification of target system software
- Identification of target system hardware
- Map high-level "to be" business functions to software components

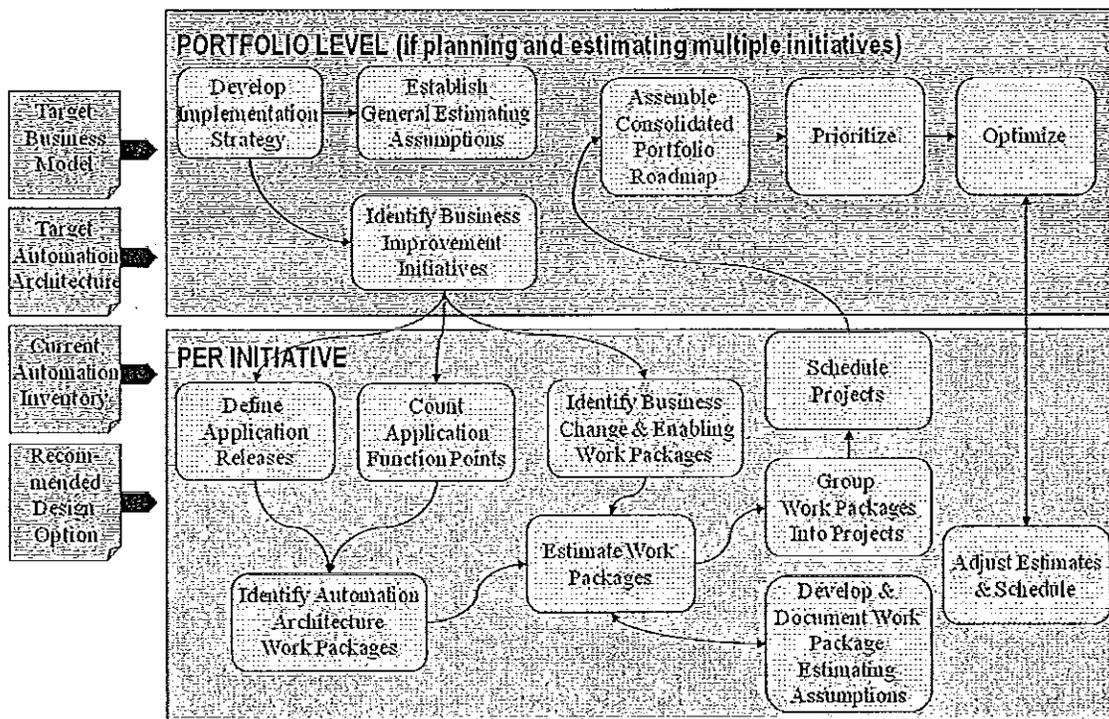
Leveraging our earlier efforts, we will conduct an impact analyses to help identify those existing systems that will require enhancement in order to achieve interoperability and those systems which are good candidates for replacement with new COTS or rules-based frameworks or systems. Finally, KPMG will prepare draft functional specifications for the State's Preferred Option. Based on the RFP, we understand these

to be functional specifications that will describe what the system needs to do while not over-engineering the system such that design could be constrained.

#### 4.1.4 Implementation Plan for Executing the Preferred Option

As requested in the RFP, based on the analyses and decisions made as part of the work performed under Tasks 4.1.1 through Task 4.1.3, KPMG will create an IT plan identifying the Connecticut Exchange IT goals, IT technical decisions, project timelines for decision making, and issues and analysis likely required for key system decisions. Based on the Preferred Option as selected by the Exchange Board, KPMG will prepare a HBE IT Implementation Plan, and provide a recommended schedule for deliverables. The diagram below illustrates the implementation plan development process.

### Roadmap Planning and Estimating Process



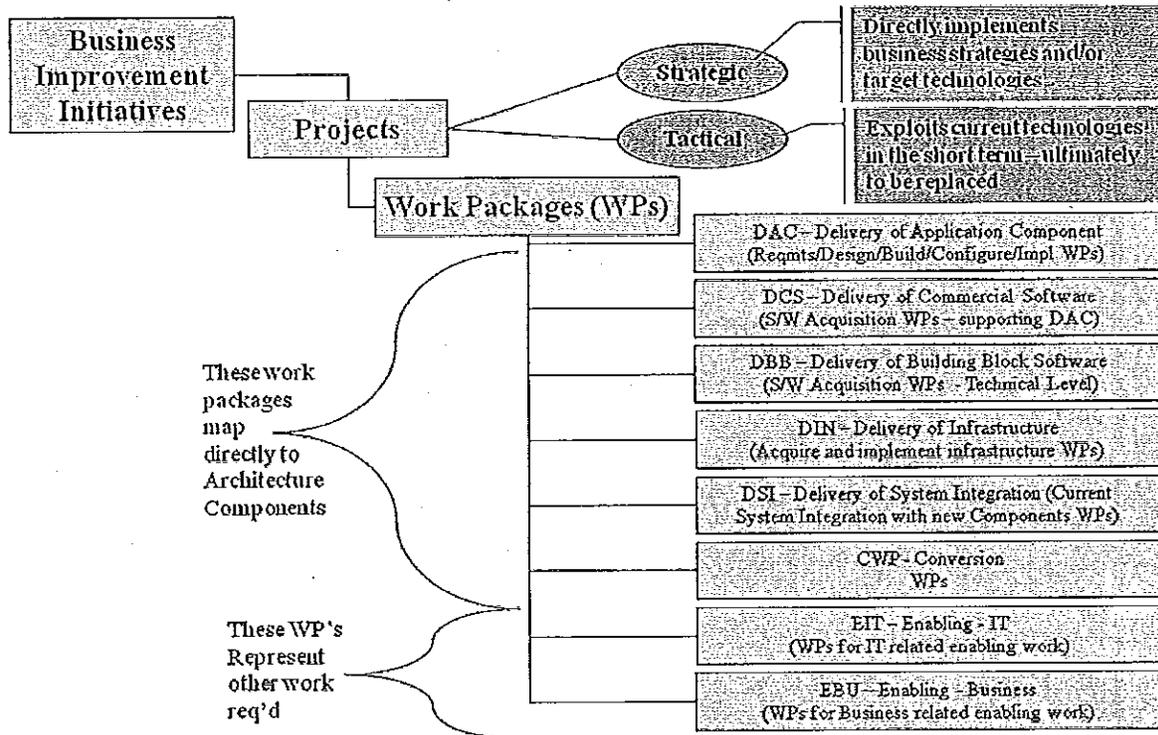
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The key inputs shown on the left of the diagram will be performed in the previous tasks and/or as part of the State's HBE planning process, and have been the starting point for the roadmap development process. The diagram below illustrates the conceptual hierarchy of the work breakdown structure that will be used in cost model.

## Structure of Cost Model – Delivery - Initiatives & Projects & Work Packages



One of the main drivers of the cost estimate to build and/or configure application components is the estimate of application complexity, which is determined through the function point count. The COSMIC-FFP method will be used for function point counting (ISO/IEC standard 19761:2003).

Once we have an objective measure of complexity (the function point count), the work effort for the development life cycle will be determined, based on productivity assumptions – i.e., the number of work days per function point assumed to specify, design, build/configure, test and implement a given component. We will use COCOMO II (Common Cost Model), an industry source for productivity assumptions. We will enter these into the KPMG model which will generate a detailed implementation schedule, FTE estimates, and a work package cost estimates. This will be summarized in the implementation plan to be reviewed and approved by OPM. A sample high level roadmap is depicted below.

### Sample HBE High Level Roadmap

Initiative	NAME	Year 1				Year 2				Year 3				Year 4			
		1Q 1	1Q 2	1Q 3	1Q 4	2Q 1	2Q 2	2Q 3	2Q 4	3Q 1	3Q 2	3Q 3	3Q 4	4Q 1	4Q 2	4Q 3	4Q 4
<b>HBE Release 1</b>																	
1019	HBE Release 1 Hybrid Option Delivery – Mobilization, Requirements, Strategy and Procurement Process																
1015	HBE Software Packages Deployment																
1011	HBE Release 1 Delivery – Back Office Configuration																
1003	HBE Release 1 Delivery – Hybrid Option – Service Delivery Configuration / Build																
1020	HBE Release 1 Integration and Conversion																
1010	HBE Release 1 Infrastructure Delivery																
1017	HBE Release 1 Implementation																
<b>HBE Release 2</b>																	
1021	HBE Release 2 Delivery – Mobilization and Requirements – Hybrid Option																
1016	HBE Release 2 Delivery – Back Office Configuration																
1004	HBE Release 2 Delivery – Hybrid Option – Service Delivery Configuration / Build																
1018	HBE Release 2 Implementation																
<b>HBE Program Management, Integration and Support</b>																	
1999	Program Management																
1998	Program Infrastructure and Expenses																

#### **4.1.5 RFP Development and Procurement Support**

Working closely with the State, KPMG will assist in developing an RFP for the systems implementation and systems support outsourcing. The level of KPMG's effort in the RFP support will depend largely on the Preferred Options and decisions made by the state regarding the outsourcing and the extent of the systems development needed to achieve the desired levels of service for the Exchange. KPMG's SAS methodology lends directly to supporting the tasks required by OPM. Refer to the Methodology Section: Selection Assistance Services of this proposal for details regarding the various steps involved in assisting OPM for procurement support based on the KPMG methodology.

#### **4.2 Workstream II – Consumer Assistance and Support**

The objective of this workstream is to develop business process functionality and IT systems requirements for customer assistance and support. The overall goal is to be able to simulate a consumer interaction process, including benefit selection, enrolment, and financial accounting among other Exchange functions.

KPMG understands that the experiences and satisfaction of the State's residents are one of the more important guiding principles for OPM's exchange planning and implementation. We share your value and belief that providing health care coverage via multi channel, easy access, plain language, customer specific access to insurance options and choices are what drive the spirit of health care reform. We have applied that particular lens to other Health Insurance Exchange projects we have assisted in the past.

The scope of our work will be guided by the consumer experience components of each of the eleven Exchange establishment core areas, as detailed in ACA Sections 1311(d)(4), 1413 and other sections. In particular:

- Areas of Focus on Consumer Satisfaction Experience:
- General Information Assistance, Advisory and Navigation, Call Center, Self-help, Toll free telephone hotline, etc.
- Web and Mobile access
- Accessibility related to ability/disability, literacy and learning style
- Eligibility & Enrolment process
- Consumer Protections
- Grievance and Appeal (coverage, eligibility, etc.)
- Problem Resolution
- Performance Transparency and Reporting on the above, including related data collection

We will leverage any lessons learned and data relative to customer assistance from the Planning Grant Phase of the project to help inform our work. We will also make OPM aware of leading practices in Customer Assistance and Performance Measurement approaches that we may be aware of based on our other engagements where we are providing Health Insurance Exchange planning and support.

We also understand and will consider the efforts of several state entities and vendors that are already providing certain aspects of Customer Support, and these need to be woven together to produce a unified Consumer Experience. Such as:

- Office of the Healthcare Advocate (OHA)
- Connecticut Insurance Department (CID)
- Existing Medicaid consumer support programs

We understand that providing access to quality insurance coverage to Connecticut's residents is the overall goal. We also understand that a very specific set of tactical steps have to occur in order to achieve that goal. OPM needs to:

- A) Understand what mandated requirements and unique characteristics describe the customer service experience the Connecticut Health Insurance Exchange must provide
- B) Document what entities currently provide customer service and support in the health insurance space for State residents
- C) Determine areas of functional compatibility between State systems and processes that fulfill, or partially fulfill, ACA and State defined customer service experience requirements confirmed by the State as well as areas of misalignment and areas of redundancy across agencies, systems, and processes
- D) Decide whether (and which) existing systems and processes can be reused and integrated to partially or fully satisfy ACA and State defined customer service experience requirements
- E) Confirm an implementation approach that aligns with the State's technology strategy, maximizes reuse of existing systems and processes where appropriate, and describes an incremental plan for building an exchange that meets the ACA and State defined consumer access, experience, and coverage requirements.

Based on the requirements set forth in the RFP, we understand that that the work plan needs to demonstrate the minimum required steps to achieve the project objective. In addition, KPMG has included a Stakeholder Enablement and Implementation Planning (SEIP) methodology and steps that describe a value-added approach that we implemented in several states while assisting in the planning, design and

implementation of the exchanges. For more detail on our SEIP Methodology please see the Methodology section.

#### **4.2.1 Assess Existing Conditions & Strategy for Leverage of Existing Capabilities**

As requested in the RFP, KPMG will conduct an assessment of the existing organizations and systems currently providing Customer Support for resident's health insurance needs. To gather inputs for this assessment, the KPMG will begin by:

- Collecting and confirming any information already provided by the State. In particular analysis from the Planning Grant activities and any other technology artifacts provided by the State relative to agencies and systems that are material to the Health Insurance customer support process
- Leveraging our experience on other Health Exchange Planning projects to identify other potential agency and process overlaps and confirm whether they could also apply to Connecticut
- Conducting additional interviews needed to fill gaps and confirm information about relevant agencies and systems

KPMG will use guidance from step 1 of our SEIP methodology in order to obtain key metrics such as user counts, transaction volumes, channels of interaction of users by program type, user preferences on channel access means, etc. We plan conduct up to 10 interviews to capture the required metrics. KPMG will conduct a facilitated walkthrough of the Consumer Experience Current State Blueprint deliverable from this section. It is expected that we will obtain concurrence from the State within three (3) business days of the walkthrough session.

#### **4.2.2 Requirements for Achieving an Integrated Consumer Experience; and Performance Metrics Methodology**

KPMG will leverage its SEIP methodology to define recommendations for net new requirements for integrated customer assistance and performance management processes. KPMG will join the project with an already entrenched understanding that there are a number of functions that exchanges must provide, including:

- Accessibility: Certify, recertify, and decertify health plans as qualified, based on the criteria and HHS guidelines; maintain an Internet Web site through which individuals may compare standardized comparative information on plans.
  - Individuals must be able to compare standardized comparative information on plans
  - A quality rating must be assigned to each plan
  - A standardized format for presenting health insurance plan options in the exchange must be used

- Eligibility/Monitoring: Determine eligibility and co-payment for insurance through the exchange; screen applications to determine eligibility and notify individuals if they qualify for other subsidized federal, state, or local assistance programs such as Medicaid and CHP; certify that an individual is exempt from the individual mandate to purchase coverage due to affordability or other exemptions permitted under the Act; verify/resolve inconsistent information provided to the exchange by applicants.
- Support: Provide and support an electronic calculator to determine the cost of coverage after applicable premium tax credits and cost-sharing reduction subsidies; provide a toll-free assistance hotline telephone facility; establish a Navigator program – support organizations provide information to raise awareness in the community.
- Communications/Notifications: Notify the U.S. Department of the Treasury when an employed individual accesses premium tax credits through the exchange because they were not offered minimum essential coverage by their employer or if the coverage was deemed unaffordable; notify employers when an employee ceases coverage under an exchange provided Qualified Health Plan (QHP); pass citizenship/immigration status information from applicants to the Social Security Administration to verify eligibility to use the exchange in accordance with the process established by HHS; pass income-related information from applicants to the IRS for purposes of verifying and determining:
  - Eligibility to use the exchange
  - The amount of tax credit and cost sharing subsidies
  - Whether the individual is exempt from individual mandate responsibilities established by the Act

For this workstream we will focus on defining net new requirements for both Customer Assistance and Performance Metrics. To construct this deliverable, the following steps will be conducted:

- A) *Gather*: To gather inputs for this assessment, the KPMG will begin by collecting and confirming any information already provided by the State relative to Phase I requirements for customer assistance and/or managing performance. In particular analysis from the Planning Grant activities and any other technology artifacts provided by the State relative to agencies and systems that are material to the Health Insurance customer support and performance management processes. Our own deep experience with ACS Section 1561 and other relevant standards will also help inform this process.
- B) *Augment*: Enhancing already existing Customer Assistance Requirements with net new requirements by:

- Leveraging our experience on other Health Exchange Planning projects to identify other potential agency and process overlaps and confirm whether they could also apply to Connecticut. Relevant experiences and lessons learned from other states include:
  - KPMG is a member of the UX2014 working group in California: Our team has experience in another Early Innovator Grant State exchange (Oregon) and participates in the UX2014 (IDEO) working group and as a participant in the Enrol UX2014 project. We provide educational presentations on UX2014, and participate in wireframe and scenario reviews with participating states, CMS and IDEO.
  - In addition, we are providing support to an Early Innovator State, the State of Oregon, in preparing for CMS required Gate Reviews (Detailed Design). Tasks include presentation content appropriate for an Innovator State, validating / verifying progress on prior reported items and creating messaging and other slide content, working with the State's software vendor to incorporate key portions of the System Design to meet CMS information needs. The use of Enrol UX2014 will assist the State of Connecticut with the need to design a first class user experience design for exchanges in an effort to meet CMS' guidance to provide consumers with "a high level of service, support, and ease of use, similar to that experienced by customers of leading service and retail companies and organizations doing business in the United States."
  - KPMG has also served as the technical advisor for New York City's ACCESSNYC customer self service portal. ACCESS NYC (<http://www.nyc.gov/accessnyc>) is New York City's online screening tool that can be used by HHS clients to self-screen themselves for 35 city, state, and federal human services benefit programs including Medicaid. In addition to providing access to the pre-screening tool, ACCESS NYC also includes five fully self service online applications including Medicaid renewals. ACCESS NYC is available in seven different languages and allows clients to find information about a variety of human services, including how to apply, print out benefits application forms, and search for agency locations where they can apply in person. KPMG has provided advice and support on the design and usability of ACCESS NYC from its screen designs, performance standards, and interfaces with partner systems to analyzing requirements for its 36 program including eligibility rules, signature requirements, log in and archiving strategies, and the effectiveness of online help and help desk support.
- KPMG also understands and supports the State's focus on the quality and comprehensiveness of user experience and customer service. We also understand that the Grant Planning phase of the project has performed a set of activities to help define these guiding principles and potential requirements for these goals. To help support the State's focus on these values, and if deemed necessary and additive by the State, KPMG will:

- Conduct up to 3 focus groups of between 10-20 state residents and potential Exchange users to help gather general and overarching customer concerns, ideas, and values.
- Create an online 2-4 page survey using SurveyMonkey as a mechanism for residents and potential exchange users to provide both numeric scaled and 1-2 sentence open ended feedback relative to a future exchange. The survey would be available for one month after which time it would be disabled and feedback and lessons learned consolidated for OPM

C) *Define Performance Management Requirements:* KPMG utilizes its SEIP methodology to assist clients in establishing measures and metrics to enable effective management of operations and personnel.

- Our first step is to assess any performance measures currently in use in the State's health insurance environment including the identification and review of the data source supporting each measure. In reviewing each measure, we determine how the measure supports and aligns with the overall direction and goals of the program or project. This process allows the identification of any performance measurement gaps while refining potentially reusable existing measures.
- We will also identify existing tools to support both data collection and performance reporting such as information technology solutions, databases, canned reports, etc. Building off the work already completed and our knowledge of leading practice, the project team will develop a set of performance measurement requirements for Connecticut's HBE process. The measures will respond to the organization's need for both enterprise-wide understanding (state-wide views) and a more detailed view into individual programs or services.
- We will also define a data source for each measure and assess the process of data collection to support the measure. We will review and socialize this draft set of measures allowing ample time for review and feedback. Following this review, the performance measures and metrics will be finalized based on client/team feedback. Performance measures may require the development of new processes or refinement of existing processes to help ensure accurate collection of data and resolve identified gaps. We will also work with the client to determine how gathered data can be safely stored and accessed most appropriately by authorized parties.
- While measures and metrics will serve the entire organization, we will provide the State with recommendations on what level of detail should be accessible by different users and how the measures will support communication to different stakeholders. For example, a front-line staff member or customer should be able to understand their own performance and overall performance according to set objectives. Supervisors and leadership will have access to more detail including individual performance, team performance, and over time comparisons. More

global measures would be reported at the executive level with drill down available as needed. The goal of this approach is to engage all stakeholders in the effort and help ensure each participant understands what is being measured and how performance information can aid in day-to-day and long term management of work. Key categories will include usage statistics, enrolment transaction times (such as time to application), grievance/complaint escalation and resolution monitoring.

- Conducting up to three (3) additional focus groups of 8-15 stakeholder as needed to fill gaps and confirm information about potential additional customer assistance requirements
- KPMG will conduct a facilitated walkthrough of the Consumer Experience Business and Technical Requirements deliverable from this section. It is expected that we will obtain concurrence from the State within three (3) business days of the walkthrough session.

#### **4.2.3 Business Process Changes, Enhancements, and Implementation- Procurement Strategy**

KPMG will leverage its SEIP methodology to consolidate the information gathered in the previous portions of this workstream to create a blueprint document containing:

- A. A complete list of State approved customer assistance and performance management requirements
- B. A set of recommendations for satisfying the requirements using new systems or a combination of existing systems. Requirements will be covered by a recommendation or series of recommendations. The criteria for determining the right system(s) to use to meet these requirements are defined.
- C) High Level Technology Blueprint Development: This document will summarize KPMG's observations and recommendations relative to implementing the Stakeholder Assistance and Performance Management requirements approved by the State earlier in this workstream. It will document:
  - a. Final signed off customer assistance and performance management requirements
  - b. Recommended technology and process change options
  - c. High level potential costs and benefits including preliminary estimates of savings to the State such as savings generated from reductions in office space and personnel
  - d. KPMG will conduct a facilitated walkthrough of the Consumer Experience Procurement Strategy deliverable from this section. It is expected that we will

obtain concurrence from the State within three (3) business days of the walkthrough session.

#### **4.2.4 Technical Requirements & Contract Specifications**

Working closely with the Connecticut Exchange Procurement, KPMG will assist the state in developing final customer assistance and performance management requirements to be issued with the RFP being developed in Workstream I (Section 4.1.5) for the systems implementation and systems support outsourcing. As mentioned in that section previously, the level of KPMG's effort in the RFP support will depend largely on the Preferred Options and decisions made by the state regarding the outsourcing and the extent of the systems development needed to achieve the desired levels of service for the Exchange.

KPMG's tasks relative to this portion of the workstream II have been previously defined in Workstream I, Sections 4.1.5.

**RFP Requirement**

b. Methodologies: Provide an overview of how bidder will collaborate with the State while designing and analyzing the various components of this project. Identify data sources and baseline information that will be used in each of the research sections. Describe how each activity/task will be accomplished, providing a detailed explanation of the procedures or processes that will be used to attain the expected outcomes.

This section outlines the methodology that KPMG will utilize as per our understanding of the services requested in the RFP for the project. The sections below include an introduction to the KPMG methodology that we see applicable for Workstream I: Requirements for Business Process and IT Operations and Workstream II: Consumer Assistance and Support. The sections below outline the method in which the following major project service areas will be delivered to OPM.

### Introduction to KPMG's Management Consulting Methodology Suite

To perform the activities within the project scope, the KPMG team will leverage distinct approaches from KPMG's Management Consulting Methodology Suite that has been tailored for the specific needs of OPM. KPMG's Management Consulting Methodology Suite is a combination of knowledge, skills, tools, and techniques developed and updated by KPMG's professionals across the globe. It has several features that we believe provide value to OPM, including:

Feature	Description
Industry recognized risk project and quality management principles	KPMG incorporated concepts from a variety of well-known risk, project, and quality management disciplines and techniques and has tailored them for the State in order to enhance our ability to assist and add value to clients. These sources include, PMI's Project Management Body of Knowledge (PMBOK), IEEE Standard 1012-2004 for Software Verification and Validation, Software-engineering Institute's (SEI) Continuous Risk Management Guide, and SEI's Capability Maturity Model (CMM-I). Our approach is delivered by talented professionals that have systems development and relevant project experience.
Risk-based and forward looking	The KPMG Methodologies are risk-based and forward-looking, and focus efforts on the areas of high priority. This risk-based approach assists clients in establishing priorities related to the success of the project and promotes a more effective and efficient use of project resources. It also assists with the identification of actionable recommendations for risk mitigation.
Structured but flexible	Our methodologies have been designed to be flexible enough to use on small or large projects. It has been tried and tested on multiple engagements for various states and cities.
Promotes quality and results in both project practices and deliverables	The KPMG methodologies are focused on driving quality and results by: (1) promoting adherence to standards; and (2) promoting effective planning and stakeholder involvement in deliverable development.

Feature	Description
Includes detailed guidance	KPMG's methodologies provide approximately 30 detailed approaches, 100 technique papers, sample deliverables, and dozens of tools to guide us in our project approach. Our team members are trained on an annual basis in relation to the latest industry trends, and updates to the methodology guidelines.

KPMG's Management Consulting Methodology Suite has distinct approaches to guide various aspects of projects depending on the scope of each initiative. The specific approaches from our methodology that we plan to leverage for this program include:

<b>Approaches from KPMG Methodology</b>
<p><b>Engagement Project Management (EPM):</b> Our approach to managing our engagement will be based on the KPMG Engagement Project Management (EPM) approach. This approach was developed considering the leading standards such as Project Management Body of Knowledge (PMBOK) and IEEE standards.</p>
<p><b>Business Process Analysis/ Requirements Definition (BPA/RD):</b> Provides guidance on our work related to analyzing the existing programs and services; developing business processes, maps, and flow diagrams; creating implementation plans, and IT architectural model. We will leverage this approach in defining business and IT requirements and processes for the project. In addition, we will also document the procurement strategy for preferred options.</p>
<p><b>Selection Assistance Services (SAS):</b> Provides guidance with RFP development and selection assistance by providing structure and organization to support the stakeholders involved with the selection to compare the submitted proposals and make comparison-based decisions. This approach will be leveraged when we assist OPM in selecting an implementation vendor if applicable.</p>
<p><b>Stakeholder Enablement and Implementation Planning (SEIP):</b> Provides guidance on how KPMG works with clients to assess the impact of changes to specific user communities or customer/client bases. It is focused on gathering key inputs from these groups on key concerns, areas of focus, and barriers or challenges that may prevent stakeholder groups from adapting to a change. This method is used to define these areas, foster a sense of user participation, provide key inputs to the BPA/RD process above, and help define a transparent performance reporting culture where key aspects of customer and user satisfaction and performance are identified and measured. It will be leveraged to help OPM define and implement a Customer Assistance based performance reporting process and implementation plan.</p>

The table below describes which KPMG methodologies will be used to complete the outlined activities/tasks in Workstreams I and II, along with applicable data sources for each activity/task. Please note that EPM is the approach we use to manage our work throughout the engagement and is thus pervasive and not included in the table below.

KPMG Activity/Task	EPA/RD	SAS	SEIP
<b>Workstream I</b>			
Task Area 1.0 Business Process & IT Requirements	✓		
Task Area 2.0 Procurement Strategy Options & Preliminary Cost Estimates	✓		
Task Area 3.0 Specifications for Preferred Option(s)	✓		
Task Area 4.0 Implementation Plan for Executing the Preferred Option	✓		
Task Area 5.0 RFP Development and Procurement Support		✓	
<b>Workstream II</b>			
Task Area 1.0 Assess Existing Conditions & Strategy for Leverage of Existing Capabilities	✓		✓
Task Area 2.0 Requirements for Achieving an Integrated Consumer Experience, and Performance Metrics Methodology	✓		
Task Area 3.0 Business Process Changes, Enhancements and Implementation Procurement Strategy	✓		✓
Task Area 4.0 Technical Requirements & Contract Specifications	✓	✓	

## Data Sources

The data sources we would leverage include but are not limited to:

- Affordable Care Act (ACA)
- Centers for Medicare and Medicaid Services (CMS) additional guidance, such as the recently released FM-BAS document.
- Medicaid Advanced Planning Document (APD) and Implementation APD (IAPD)
- Centers for Medicare & Medicaid Services (CMS) certification rules

- Medicaid IT standards (MITA).
- Inputs from UX2014 Working Group in California
- Early Innovator state Collaborative Application Lifecycle Tool (CALT) submissions
- Reference artifacts from KPMG's work with other states (OR, MO, RI, NJ, etc.)
- Other CMS or CCIO guidance such as Eligibility & Enrollment and Plan Management, Financial Management, and Partnership Model as well as upcoming guidance on Customer Service, Communications, and Oversight

In addition, we will reference the KPMG Health Insurance Exchange Reference Architecture, which has previously been applied in at least seven other states, and reflects both MITA requirements and the CMS Exchange Reference Architecture (ERA), and is maintained to reflect updates to the ERA as they are released. We will also utilize the Innovator State-developed architecture, process, and requirements artifacts as they are uploaded and made available to the Exchange Community in HHS's CALT system.

### **Methodology Descriptions**

Each of the approaches that KPMG will utilize throughout the project duration has been summarized below, with information about objectives, and activities that will be performed for OPM. Please note we have focused on highlighting key methodologies to reflect the needs of this particular project.

### **Engagement Project Management (EPM)**

Our approach to managing our engagement will be based on the KPMG EPM approach. This approach was developed considering the leading standards in the field, including the PMBOK and relevant IEEE standards. The approach is rooted in the belief that effective control procedures and proactive risk management provide the right foundation for completion of the engagement on time and on budget. At the start of our engagement, we will develop a Project Management Plan (PMP). The PMP documents the scope and objectives of our work in the form of a project charter, provides a management approach section describing the techniques and tools we use to manage our work on the engagement, and a technical approach section, which describes how we execute the tasks of the initiative.

### **Work Products**

Our work products include a Project Management Plan that will address the components outlined above and will include an elaborated schedule from the work plan provided in this proposal and templates for agendas, minutes, and other project artifacts. The PMP will provide guidance to the KPMG team throughout the execution of the project. The work plan will be reviewed and accepted by the State as part of our project start-up period. The project schedule will be updated periodically.

**Project Management Plan (PMP):** Includes a Project Charter and describes our approach in detail with templates for the deliverables we will create during the course of our work.

**Project Schedule:** Provides a listing of the activities, in WBS format, that will be part of the project along with the task dependencies, start and end dates, durations, and resource assignments.

**Status Report:** Communicates project status, risks, and scope and is used to help track schedule and budget changes.

### **Business Process Analysis and Requirements Definition (BPA/RD)**

Objective:

KPMG's BPA/RD approach will be used to execute the tasks related to business process analysis and business and IT requirements documentation. The BPA/RD approach combines assessing and documenting the existing conditions (Workstream II) to define the business requirements, using workflows and mappings (Workstreams I and II). In addition, it includes strategy analysis on preferred options.

Activities:

The activities described below will guide the requirement activities, and high level solution designs for the project. The five steps of our BPA/RD approach are as follows:

**Step 1. Plan and Conduct a Project Kickoff** – Prior to fieldwork, KPMG will work with the OPM Project Manager to plan the work, confirm objectives and scope, refine our approach as needed, and confirm agreement on the proposed deliverables. We will then recommend holding a project kickoff to communicate the scope, approach, and time line to project stakeholders and introduce our team. The specific activities will include:

- Meet with the OPM project sponsors to confirm scope, objectives, and success factors.
- Meet with the OPM project team to confirm timing, committed resources, deliverables, and key milestones.
- Organize a kickoff meeting.

**Step 2. Analysis of Current State** – Our team will review and assess existing documentation using key metrics to help identify the information that can be leveraged. This review provides a baseline for understanding the existing capabilities. We will then meet with the stakeholders to validate our understanding. We may also solicit feedback on perceived areas for development or critical risk areas that are of concern. This step guides the following workstream activities:

- Workstream 1, Task 1.0 A – Analysis of IT Gap Analysis and Business Process Fit/Gap analysis from predecessor planning project
- Workstream II, Task 1.0 – Assess Existing Conditions & Strategy for Leverage of Existing Capabilities.

**Step 3. Development of Future State** – Within the BPA/RD approach, once our team has received guidance on the areas to cover; we will begin creation of the business processes, maps, rules, use cases and workflows using Visio™ process flows and brief process descriptions as applicable. We believe that the benefits of this approach is that it presents leadership a potential vision that focuses discussion and avoids “blue sky” scenarios that often result in process decisions that fail to account for the capabilities of the technology or limitations such as local, state, or federal regulations. Once drafted, we then submit it to OPM for final review and approval. This step guides the following workstream activities:

- Workstream I, Task 1.0 B – IT architectural model
- Workstream I, Task 1.0 and Workstream II, Task 2.0 – Business processes, maps and flow diagrams, business rules and use cases

**Step 4. Requirements Definition/Requirements Review** – Once the business process documentation has been reviewed and accepted by OPM management, our team will extract and review the business and IT requirements for each component. We will confirm completeness and document them in a requirements traceability matrix to be reviewed and approved by OPM. The goal of this level of requirements definition and requirements review is to identify the key required process modules, key features, and technical needs without over-engineering the system. This step guides the following workstream activities:

- Workstream I, Task 1.0 A & B – Functional and technical requirements, ecosystem interfaces and capture the IT systems components for developing an IT architectural model for the Exchange
- Workstream II, Task 2.0, Task 4.0 – Requirements for Achieving an Integrated Consumer Experience and Performance Metrics Methodology and Technical Requirements and Contract Specifications

**Step 5. Alternative Analysis**– Our team will then perform an analysis on the procurement strategy options. As part of the procurement analysis, KPMG will develop recommendations for a procurement approach including purchasing strategy options and high level cost estimates. Each option analysis will contain pros and cons, opportunities and constraints, risk profile, and a preliminary life-cycle cost estimate. Next, we can (based on feedback from the State) further develop and elaborate the plans relative to the State’s preferred option, and advance the specifications to the appropriate level of detail. This analysis will similarly be required for the pro/con analysis and recommendation regarding use of existing resources and infrastructure

noted in Workstream II, Task 3.0, Business Process Changes, Enhancements and Implementation-Procurement Strategy. The specifications for preferred options will feed into the Implementation Plan as noted in Workstream I, Task 4.0 Implementation Plan for Executing the Preferred Option. The Implementation Plan will include details on the proposed time line and milestones for the implementation that should be achieved based on OPM priorities as well as preferred option recommendations. The report will describe the State's requirements and a high level cost benefit assessment. This will also include the details on recommended procurement approach functional specifications that will be incorporated into the RFP for the integrator as described in the next methodology. The current step guides the following workstream activities:

- Workstream I, Task 2.0 Procurement Strategy Options & Preliminary Cost Estimates
- Workstream I, Task 3.0 Specifications for Preferred Option(s)
- Workstream II, Task 3.0 Business Process Changes, Enhancements and Implementation- Procurement Strategy

### **Selection Assistance Services (SAS)**

#### Overview

The objective of SAS is to assist the State in preparing an SI solicitation document and support OPM in its evaluation and identification of the integrator and/or solution as applicable. Our approach is to assist OPM by providing structure and organization to support the stakeholders involved with the selection to compare the available products or submitted proposals and make comparison-based decisions.

#### Activities

The KPMG team will undertake a six-step approach to SAS for each of the SI procurements:

**Step 1. Pre-Selection Assistance** – KPMG can assist with developing a list of potential vendors and product options identified through research and/or available contract vehicles, detailed requirements, and solicitation documents that can be reviewed and approved by OPM management. In addition, this activity can include development of a draft RFP, including publishing of the State approved functional and other specifications (level of detail depends on the selected procurement approach), assistance with creating the procurement library, providing advice to the State prior to the pre-proposal Bidder's Conference, and providing advice and recommendations for the State to respond to Contractor questions. The current step guides the following workstream activities:

- Workstream I, Task 5.0 – RFP development, including publish of Functional and other Specifications, Publish Procurement Library, Pre-proposal Bidder's Conference and responses to Contractor questions

■ Workstream II, Task 4.0 – Technical Requirements & Contract Specifications.

**Step 2. Initial Analysis** – Once proposal are received, KPMG will prepare a Proposal Assessment Matrix (PAM) comparing proposal responses from vendors based on OPM's criteria. The PAM lists a brief description of each proposer's experience, qualifications, and/or capabilities in each category as described in their proposal documents. KPMG will review the PAM with OPM to include feedback on our recommendations for criteria for evaluation. Once the PAM is finalized, KPMG will assist with proposal evaluation criteria and evaluation. This analysis will include technical reviews by subject matter professionals within our team. This provides the evaluation team a useful tool when used in conjunction with a detailed proposal review, for evaluating and comparing the submitted proposals. The current step guides the following workstream activity:

■ Workstream I, Task 5.0 – Proposal Evaluation Criteria & evaluation process

**Step 3. Risk Assessment** – After the draft PAM is distributed to the OPM reviewers, the KPMG team will review the proposals and identify potential risks and questions that might be posed to the SI to provide clarity and additional detail around specific proposal elements. These potential risks and questions will be provided to the OPM evaluators for consideration. The current step guides the following workstream activity:

■ Workstream I, Task 5.0 – Proposal Evaluation Criteria & evaluation process

**Step 4. Oral Presentations** – Once the OPM evaluation team has determined a short list of vendors, we will help facilitate the planning of oral presentation sessions for each if applicable. This planning may include development of a list of questions or scenarios for proposed approaches or demonstrations. If requested, members of our team may attend the planned oral presentations in order to help document information to complete the PAM and observe system demonstrations. The current step guides the following workstream activity:

■ Workstream I, Task 5.0 – Proposal Evaluation Criteria & evaluation process

**Step 5. Final Analysis** – Based on the information in the proposals as well as the additional information gained during the oral presentations, our team will update and submit a final PAM for consideration by the OPM evaluation team. The OPM evaluators will then complete their final scoring based on all the available information (e.g., proposals, responses to any questions and answers, oral presentations, their own independent assessments, and the summary information documented in the PAM, etc.). The current step guides the following workstream activity:

■ Workstream I, Task 5.0 – Proposal Evaluation Criteria & evaluation process

**Step 6. Post Selection Assistance** – After the OPM evaluation team has made their final selection, the KPMG team can summarize OPM's evaluation and selection process in a Final Evaluation Report. The team may also provide technical support and assistance to OPM in negotiating a contract with the selected SI. Please note however,

that we cannot negotiate on behalf of OPM or provide legal advice. Our team can, however, provide information and an assessment of risk relative to the scope, objectives, and timing of the contractor's scope of services and deliverables. This activity will include post-award support for contracting and project startup and knowledge transfer activities (either formally documented or as part of a discussion/meeting). The current step guides the following workstream activity:

- Workstream I, Task 5.0 – Post-award support for contracting and project startup, Knowledge transfer activities

## **Stakeholder Enablement and Implementation Planning (SEIP)**

### Overview

The objective of SEIP is to assist OPM in gathering the necessary inputs to successfully implement a new performance measurement process to help build and drive effective customer assistance as a core component of its Health Exchange implementation strategy.

KPMG utilizes this methodology to assist clients in establishing measures and metrics to enable effective management of operations and customer/clients. The steps below guide the following workstream activity:

- Workstream 2, Task 1.0 – Assess Existing Conditions & Strategy for Leverage of Existing Capabilities

**Step 1. Confirm Existing Metrics** – Our first step is to assess any performance measures currently in use including the identification and review of the data source supporting each measure. In reviewing current customer assistance metrics for the State, we determine how each measure supports and aligns with the overall direction and goals of the program or project and where gaps may be. This process allows the identification of gaps while refining existing measures.

**Step 2. Identify Performance Management/Measurement Tools** – We will also identify existing tools to support both data collection and performance reporting relative to customer assistance such as information technology solutions, databases, canned reports, etc. Building off the work already completed and our knowledge of industry leading practice for measuring customer service and assistance in other states implementing an exchange, the project team will develop a set of performance measures for the targeted programs and customer bases. The measures will respond to the organization's need for both enterprise-wide understanding of customer assistance and a more detailed view into individual programs or services.

**Step 3. Linking Desired metrics to Data** – We will also define a data source(s) for key customer assistance measures and assess the process of data collection to support the measure. We will review and socialize this draft set of measures allowing ample time for review and feedback. Following this review, the performance measures and metrics will

be finalized based on OPM's feedback. Performance measures may require the development of new processes or refinement of existing processes to help ensure accurate collection of data and resolve identified gaps. We will also work with the State to determine how gathered data is stored to facilitate performance reporting.

**Step 4. Defining Reporting Needs by Stakeholder Group** – While measures and metrics will serve the entire organization, we will provide the OPM with recommendations on what level of detail should be accessible by different users and how the measures will support communication to different stakeholders. For example, an authorized State worker or customer should be able to understand their own performance and overall department performance according to a very different set of objectives and access rules. Supervisors, policy and program staff, and leadership at OPM and other State agencies will also need access to more detailed or integrated reporting including individual performance, team performance, and over time comparisons. More global measures would be reported at the executive level with drill down available as needed. The goal of this approach is to engage all stakeholders in the effort and help ensure each participant understands what is being measured and how performance information can aid in day-to-day and long term management of work and effective delivery of customer assistance and care.

**Step 5. Provide Performance Measurement Methodology Recommendations** – KPMG will recommend options for a performance metrics methodology for assessing the quality of services, which includes the data that should be collected, the expected target levels of quality, and a methodology for dash boarding the performance results and making these results transparent to stakeholders on a regular (periodic) basis via a quality dashboard or similar public posting. KPMG will deliver a schedule and basic procedures to support the implementation of the performance measures. The schedule and procedures provides guidance on the frequency of reporting performance data, effective formats for performance reports, and utilizing performance data to drive continuous improvement. Whenever possible, the project team will attempt to utilize existing IT and other tools and incorporate automation. KPMG will also model dash boarding options for State Staff and the relevant customer base.

<b>RFP Requirement</b>	c. Deliverables: List and describe the form and content of each project deliverable. Include a communications plan that identifies how the collaboration and reporting processes will be managed in the context of the overall project between the State and the bidder. Specifically, include a description of the approach, content and format to the delivery and communication of the interim and final reporting.
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We have summarized the work products in table below. Additional detail about each work product can be found in the sections above.

Work Plan Section Reference	Work Product	Deliverable description	RFP Reference
<b>General</b>			
4.B Methodology – Engagement Project Management	Project Management Plan	<p>Includes a Project Charter and describes our approach in detail with templates for the deliverables. This document will also include the following sections:</p> <ul style="list-style-type: none"> <li>▪ Integration Management</li> <li>▪ Schedule/WBS Management</li> <li>▪ Cost Management</li> <li>▪ Human Resources Management</li> <li>▪ Communications Management</li> <li>▪ Risk Management</li> <li>▪ Scope Management</li> <li>▪ Procurement Management</li> <li>▪ Quality Management</li> </ul> <p>Please note that a Communications Plan is included as part of this deliverable.</p>	Task Area 1.0 A
4.B Methodology – Engagement Project Management	Project Schedule	Includes a listing of the activities, in WBS format, that will be part of the project along with the task dependencies, start and end dates, durations, and resource assignments.	Task Area 1.0 A
4.B Methodology – Engagement Project Management	Recurring Status Reports	Includes project status, risks, and scope and is used to help track schedule and budget changes.	Task Area 1.0 A

Work Plan Section Reference	Work Product	Deliverable description	RFP Reference
<b>Workstream I – Develop Business &amp; IT Requirements</b>			
4.1.1 Develop Business Process and IT Requirements	HBE Business Architecture and Requirements	<p>Document outlining business requirements including maps and flow charts of the business process, business rules, functional requirements, vignettes done in Visio, and applicable interfaces. Updated Business Process and IT Gap analysis, leveraging the deliverables previously submitted to the Connecticut Exchange Board as part of the Planning Grant efforts.</p> <p>A sample document with vignettes, business process flows is shown in Appendix B</p>	Task Area 1.0 A
4.1.1 Develop Business Process and IT Requirements	HBE Technical Architecture and Requirements	<p>Document containing IT architectural model for the Exchange, including the systems requirements including Web/mobile portals, user-facing tools (such as cost calculators, decision support tool, rating engine), business rules engine, workflow engine and customer relationship management, interfaces, data warehouse, document generation, business intelligence and reporting, IT service levels, security and reliability standards.</p>	Task Area 1.0 B
4.1.2 Develop Procurement Strategy Options & Preliminary Cost Estimates	HBE Procurement Strategy Document	<p>Document summarizing recommendations for a procurement approach, outlining purchasing strategy options and high level cost estimates. Each option will be described given the cost and benefit assessment, constraints, risk profile and a preliminary life-cycle cost estimate.</p>	Task Area 2.0
4.1.3 Specifications	HBE Preferred	Document containing technical	Task Area

Work Plan Section Reference	Work Product	Deliverable description	RFP Reference
for Preferred Option	Options Document	specifications for further costing and consideration for the State's preferred option. The document will identify target system hardware/software, map of "to be" business functions to software components, risk assessment for each option, and inter-operability considerations.	3.0
4.1.4 Implementation Plan for Executing the Preferred Option	HBE Implementation Roadmap	Roadmap including strategy, costing scenarios, project schedule including cost by month, resources, FTE needs. This document will also identify the SDLC considerations, standards that need to be adhered to as well as the updated IT Architectural and Business Component model based on the preferred option.	Task Area 4.0
4.1.5 RFP Development and Procurement Support	RFP and Supporting Materials	<p>During the creation of the Procurement support processes several deliverables will be created namely:</p> <ul style="list-style-type: none"> <li>▪ RFP including functional and other specifications such as IT Architectural model, desired implementation approach, etc.</li> <li>▪ Proposal assessment matrix template as well as completed PAM for selected vendors</li> <li>▪ Risk assessment, questions to assist the State with written Q&amp;A and Orals process.</li> <li>▪ Knowledge transfer materials</li> </ul>	Task Area 5.0
<b>Workstream II – Consumer Assistance and Support</b>			
4.2.1 Assess Existing Conditions & Strategy for Leverage of Existing Capabilities	Consumer Experience Current State Blueprint	Current state blueprint document of the assessment of existing systems and entities currently providing the Customer Assistance and Support Services to State residents with health insurance needs.	Task Area 1.0

Work Plan Section Reference	Work Product	Deliverable description	RFP Reference
4.2.2 Requirements for Achieving an Integrated Consumer Experience; and Performance Metrics Methodology	Consumer Experience Business and Technical Requirements Document	Document containing business and technical requirements for integrated consumer experience and performance metrics measurement based on the format similar to deliverables from Section 4.1.1. Also included will be recommendations for establishing performance metrics methodology to track performance results, including data collection, and reporting.	Task Area 2.0
4.2.3 Business Process Changes, Enhancements, and Implementation-Procurement Strategy	Consumer Experience Procurement Strategy Document	Document summarizing recommendations for a procurement approach, outlining purchasing strategy options and high level cost estimates for each option. Each option will be described given the cost and benefit assessment, constraints, risk profile and a preliminary life-cycle cost estimate.	Task Area 3.0
4.2.4 Technical Requirements & Contract Specifications	RFP and Supporting Materials	The deliverables from sections 4.2.2 will be included in the RFP materials described in deliverables for section 4.1.5.	Task Area 4.0

**RFP  
Requirement**

d. **Schedule:** Due to strict federal deadlines for Exchange planning and development activity, time is of the essence in acquiring the requested work as outlined in the Scope of Services. To that end, provide a work schedule, organized by deliverable, with anticipated completion dates identified for each activity/task. Identify reporting milestones and timeframes over the projects duration. The final report is due August 1, 2012.

Summarized below is a proposed project schedule, outlining each task and activity by work element, outlining start and finish dates and overall project duration. As noted in the schedule, Workstream I Tasks 1-4 and Workstream Task 1-3 will be performed concurrently, with the latest activity being the development and assistance with the RFP for both the business and IT requirements component and the customer assistance systems development project. Each task is broken down by work activity, as described in detail in the Work Plan presented above.

### Level One Establishment Project 2-3

ID	WBS	%	Task Name	Start	Duration	Finish
0	0	0%	Level One Establishment Project 2-3	Tue 1/31/12	161 d	Tue 8/14/12
1	1	0%	STEP 1: INITIATE	Tue 1/31/12	3 d	Mon 1/30/12
2	1.1	0%	Milestones: Project Start	Tue 1/31/12	0 d	Tue 1/31/12
3	1.2	0%	Project Kickoff	Tue 1/31/12	1 d	Tue 1/31/12
7	1.3	0%	Establish Work Environment	Tue 1/31/12	5 d	Mon 1/30/12
14	2	0%	STEP 2: PLAN	Tue 1/31/12	13 d	Fri 1/26/12
15	2.1	0%	Establish Project Management Plan (PMP)	Tue 1/31/12	6 d	Mon 1/16/12
21	2.2	0%	DELIVERABLE: PMP Finalized	Mon 1/16/12	0 d	Mon 1/16/12
22	2.3	0%	Update Project Plan	Tue 1/31/12	13 d	Fri 1/26/12
28	2.4	0%	DELIVERABLE: Project Plan Finalized	Fri 1/26/12	0 d	Fri 1/26/12
29	3	0%	STEP 3: EXECUTE	Tue 1/31/12	161 d	Tue 8/14/12
30	3.1	0%	Recurring Project Management Activities	Mon 1/30/12	156 d	Mon 8/13/12
31	3.1.1	0%	Weekly Project Status Reports	Mon 1/30/12	156 d	Mon 8/13/12
64	3.2	0%	Workstream I: Deliverables	Tue 1/31/12	152 d	Wed 8/14/12
65	3.2.1	0%	Requirements for Business Process and IT Operations	Tue 1/31/12	66 d	Mon 3/26/12
66	3.2.1.1	0%	Activity 1 - Develop Materials	Tue 1/31/12	16 d	Mon 1/16/12
68	3.2.1.2	0%	Activity 2 - Conduct Functional and Technical Workgroup Sessions	Tue 1/31/12	23 d	Mon 2/13/12
70	3.2.1.3	0%	Activity 3 - Draft Requirements and Vignettes	Tue 1/31/12	20 d	Mon 3/12/12
72	3.2.1.4	0%	Activity 4 - Walkthrough and Resolve Deliverables	Tue 1/31/12	16 d	Mon 3/26/12
74	3.2.1.5	0%	DELIVERABLE: HBE Business Architecture and Requirements	Mon 3/26/12	0 d	Mon 3/26/12
75	3.2.1.6	0%	Develop Procurement Strategy Options & Preliminary Cost Estimates	Mon 3/26/12	0 d	Mon 3/26/12
76	3.2.2	0%	DELIVERABLE: HBE Procurement Strategy Document	Tue 3/27/12	25 d	Mon 4/30/12
82	3.2.3	0%	Develop Specifications for Preferred Options(s)	Mon 4/30/12	0 d	Mon 4/30/12
83	3.2.4	0%	DELIVERABLE: HBE Preferred Options Document	Tue 3/1/12	15 d	Mon 3/27/12
85	3.2.5	0%	Implementation Plan for Executing the Preferred Option	Mon 3/27/12	0 d	Mon 3/27/12
86	3.2.6	0%	DELIVERABLE: HBE Implementation Roadmap	Tue 3/27/12	28 d	Mon 4/23/12
89	3.2.7	0%	RFP Development and Procurement Support Processes	Mon 4/23/12	0 d	Mon 4/23/12
84	3.2.8	0%	DELIVERABLE: RFP and Supporting Materials	Tue 4/24/12	27 d	Wed 5/15/12
100	3.2.9	0%	Workstream II: Deliverables	Wed 5/15/12	6 d	Wed 5/15/12
101	3.3	0%	Assess Existing Conditions & Strategy for Leverage of Existing Capabilities	Tue 1/31/12	71 d	Tue 4/10/12
102	3.3.1	0%	DELIVERABLE: Consumer Experience Current State Blueprint	Tue 1/31/12	16 d	Tue 1/26/12
105	3.3.2	0%	Requirements for Achieving an Integrated Consumer Experience, and Performance Metrics Methodology	Fri 1/27/12	0 d	Fri 1/27/12
108	3.3.3	0%	Business Process Changes Enhancements, and Implementation Procurement Strategy	Tue 3/1/12	0 d	Tue 3/1/12
109	3.3.4	0%	DELIVERABLE: Consumer Experience Business and Technical Requirements Document	Fri 3/2/12	28 d	Tue 4/10/12
110	3.3.5	0%	STEP 3: CLOSE	Tue 4/10/12	0 d	Tue 4/10/12
114	3.3.6	0%	Initiate Project Closeout Activities	Wed 8/1/12	9 d	Tue 8/14/12
115	3.4	0%	Milestones: Review and Confirm all Deliverables are Approved	Tue 8/14/12	0 d	Tue 8/14/12
120	3.4.2	0%	Milestone: Project Closeout Complete	Tue 8/14/12	0 d	Tue 8/14/12
121	3.4.3	0%		Tue 8/14/12	0 d	Tue 8/14/12