

**AGREEMENT BETWEEN
THE
NEW MEXICO HEALTH INSURANCE EXCHANGE
AND
PUBLIC CONSULTING GROUP**

THIS AGREEMENT, referred to hereinafter as "Agreement," is made and entered into by and between the **New Mexico Health Insurance Exchange**, hereinafter referred to as "NMHIX" or "beWellnm," and **Public Consulting Group**, hereinafter referred to as the "Contractor," and is effective as of January 1, 2019. This Agreement is the result of NMHIX Procurement RFP #2018-008.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work

A. The Contractor shall perform all services detailed in Exhibit A, Scope of Work, which is drawn from Contractor's Proposal to provide research services.

B. In addition to any other reporting provisions required by this Agreement or by law, Contractor shall report to the NMHIX monthly, or according to a different schedule as mutually established by the NMHIX and Contractor, regarding Contractor's performance and fulfillment of its obligations under this Agreement.

2. Deliverables and Consideration

A. NMHIX shall pay to the Contractor in full payment for services satisfactorily performed, all allowable expenses, and applicable gross receipts tax an amount not to exceed \$8,515,450 for the Term of the Agreement, as further described in Exhibit A. Expenses must be approved by this Agreement or in writing by NMHIX. The New Mexico gross receipts tax, if applicable, levied on the amounts payable under this Agreement may be billed to NMHIX by the Contractor. The Contractor shall be responsible for payment of any tax liability to the appropriate taxing authority. Travel expenses will be reimbursed in accordance with NMHIX's travel reimbursement policy.

B. The amount payable under this Agreement is a maximum and not a guarantee that the work assigned to be performed by the Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to, and Contractor shall not be obligated to, continue to provide services beyond what Contractor has agreed to provide without compensation when the total compensation amount is reached. The Contractor is responsible for notifying NMHIX before the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid in excess of the total compensation amount without this Agreement being amended in writing prior to providing services or incurring expenses in excess of the total compensation amount.

C. All payments are subject to availability of funds pursuant to Paragraph 5, Funding, set forth below, and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work.

D. All invoices, including a detailed statement accounting for all services performed and any expenses, **MUST BE** received by NMHIX no later than forty-five (45) business days after each calendar month in which services were performed or expenses incurred. **Failure to timely submit an invoice shall be a material breach of this Agreement. If the Contractor fails to invoice NMHIX for services**

performed and expenses incurred in one calendar year by January 31 of the following calendar year, the Contractor will have waived all right to payment for the services performed and expenses incurred in the previous calendar year and expressly agrees that NMHIX shall have no obligation to pay for such services and expenses.

3. Term

This Agreement shall terminate on December 31, 2021, unless terminated pursuant to Paragraph 4, Termination, or Paragraph 5, funding. This Agreement may be extended for an additional term or terms by mutual agreement of the parties.

4. Termination

A. This Agreement may be terminated by the NMHIX, at its discretion and at any time for any reason, upon written notice delivered to the Contractor thirty (30) days prior to the intended date of termination. This Agreement may be terminated by the Contractor, at its discretion and at any time for any reason, upon written notice delivered to the NMHIX thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, NMHIX's sole liability upon such termination shall be to pay for acceptable work performed prior to the notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect any party's obligations under this Agreement prior to termination. The Contractor shall submit an invoice for all completed work within thirty (30) days of the effective date of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (1) if the Contractor becomes unable to perform the services contracted for, as reasonably determined by NMHIX, (2) if the Contractor or any of its officers, employees, or agents is indicted for fraud, embezzlement, or other crime due to misuse of public funds, or (3) upon the occurrence of any event that results in a transfer of control, ownership, or the power to direct the management and policies of the Contractor, including by merger, consolidation, sale, or otherwise.

B. In the event of a material default or breach of this Agreement by Contractor, NMHIX shall notify Contractor of such material default or breach and Contractor shall have a period of 30 days, or a longer period if NMHIX and Contractor agree it is necessary, to cure such material breach or default. If Contractor is unable to cure the material default or breach within 30 days or the agreed upon period, NMHIX may notify Contractor of its intent to immediately terminate this Agreement. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE NMHIX'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.*

C. Immediately upon receipt of notice of termination of this Agreement, the Contractor shall: 1) not perform additional services without written approval of NMHIX; 2) comply with all directives issued by NMHIX in the notice of termination as to the performance of work under this Agreement; and 3) take such action as NMHIX shall direct for the protection, preservation, retention or transfer of all property titled to NMHIX and records generated under this Agreement. Upon receipt of such notice, the parties agree to negotiate in good faith a transition plan for the wind down of the services. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of NMHIX upon termination and shall be submitted to NMHIX as soon as practicable.

5. Funding

The terms of this Agreement are contingent upon (1) continued authorization of the NMHIX by the Legislature of New Mexico and (2) the ability of NMHIX to obtain necessary funds by assessments, grants, or other means. In the absence of legislative authorization or funding, this Agreement shall terminate

immediately upon written notice by NMHIX to the Contractor. NMHIX's determination regarding legislative authorization and funding shall be accepted by the Contractor and shall be final.

6. Status of the Contractor

The Contractor and its agents and employees are independent contractors performing professional services for NMHIX and are not employees of NMHIX. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the NMHIX as a result of this Agreement. The Contractor agrees not to purport to bind NMHIX unless the Contractor has express written authority to do so, and then only within the strict limits of that authority. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation self-employment, business income tax, and gross receipts tax.

7. Assignment

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval from NMHIX.

8. Subcontracting

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of NMHIX. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from NMHIX.

9. Release

Final payment of the amounts due under this Agreement shall operate as a release of NMHIX, its officers, and employees from all liabilities, claims, and obligations whatsoever arising from or under this Agreement.

10. Confidentiality

A. Any confidential information provided by NMHIX to Contractor or developed by Contractor in the performance of this Agreement shall be kept confidential, and shall not be made available to any individual or organization by Contractor without the prior written approval of NMHIX.

B. Contractor agrees and acknowledges that during the course of performing services under this Agreement Contractor may create, collect, receive, use or otherwise gain access to personally identifiable information, federal tax information, or other private and confidential information. Contractor shall use or disclose such information only to the extent required for the performance of the services under this Agreement and then only to the extent allowed by law. Contractor further agrees that it is a condition of this Agreement that with regard to such information Contractor, and any subcontractors engaged by Contractor to perform services under this Agreement, shall comply with and impose privacy and security standards equal to or more stringent than the standards described in 45 C.F.R. 155.260(a), as those standards may be amended from time to time.

11. Product of Service

A. The Contractor hereby perpetually, irrevocably and unconditionally assigns, transfers, and conveys to NMHIX and its successors and assigns all of the Contractor's right, title, and interest in and to all tangible and intangible property created by the Contractor for the benefit of NMHIX pursuant to the terms of this Agreement (hereinafter, Assigned Property), including but not limited to the following: all copyrights in the Contractor's published and unpublished works of authorship, including without limitation audiovisual works, collective works, computer programs, software, hardware, compilations, databases, derivative works, literary works, maskworks, musical works, artistic works, and sound recordings; patents, inventions and discoveries, including without limitation articles of manufacture, formulae, designs, patterns, business methods, compositions of matter, improvements, machines, methods, and processes and new uses for any of the preceding items; words, names, symbols, devices, designs, and other designations, and combinations of the preceding, intended by NMHIX to serve as trademarks of NMHIX; and information that is not generally known or readily ascertainable through proper means, whether tangible or intangible, including without limitation algorithms, customer lists, campaigns, surveys, studies, forecasts, estimates, technical data, ideas, designs, formulas, know-how, methods, processes, programs, prototypes, systems, and techniques. Assigned Property does not include any Contractor Pre-existing Material, including but not limited to material that was developed prior to the Effective Date that is used, without modification, in the performance of the Agreement. "Contractor Pre-existing Material" means materials, code, methodology, concepts, process, systems, technique, trade or service marks, copyrights, or other intellectual property right developed, licensed or otherwise acquired by Contractor, independent of the services to be rendered under this Agreement. To the extent any Assigned Property contains Contractor Pre-existing Material, Contractor hereby grants to the NMHIX an irrevocable, perpetual, nonexclusive, royalty-free, world-wide license to sub-license, use, execute, reproduce, display, perform, and distribute copies of Contractor Pre-existing Material, but only as they are incorporated into and form a part of the Assigned Property developed for the NMHIX pursuant to this Agreement.

B. The Contractor shall deliver to NMHIX all Assigned Property in all forms requested by NMHIX.

12. Conflict of Interest; Governmental Conduct Act

A. The Contractor represents that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement. NMHIX acknowledges and understands that Contractor often serves multiple clients within a certain industry or market, including those with potentially opposing interests, and Contractor's relationship with NMHIX will not be an exclusive relationship. Accordingly, Contractor may have served, may currently be serving or may in the future serve other companies whose interests may be adverse to NMHIX. In all such situations, Contractor is committed to maintaining the confidentiality of each client's information, and ensuring that NMHIX interests, proprietary and otherwise are protected. To that end, Contractor strictly adheres to its Policy and Guidelines Related to Conflicts of Interest and Proprietary Information, which contains nondisclosure procedures (such as firewall protocols and other safeguards) for the purpose of maintaining each client's confidential information and ensuring that your interests are protected.

B. The Contractor further represents that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, and Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any NMHIX employee while

such employee was or is employed by NMHIX and participating directly or indirectly in NMHIX's contracting process;

2) this Agreement complies with Section 10-16-7(A) NMSA 1978 because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of NMHIX; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of NMHIX, or a business in which an employee of NMHIX has a substantial interest, public notice was given as required by Section 10-16-7(A) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(A) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of NMHIX within the preceding year and whose official act directly resulted in this Agreement.

4) this Agreement complies with Section 10-16-9(A) NMSA 1978 because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by Section 10-16-9(A) NMSA 1978, this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978 Section 10-16-3 and 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the NMHIX.

C. The Contractor's representations in Sections A and B of this Paragraph 12 are material representations of fact upon which NMHIX relied when this Agreement was entered into by the parties. The Contractor shall provide immediate written notice to NMHIX if, at any time during the term of this Agreement, the Contractor learns that the Contractor's representations in Sections A or B of this Paragraph 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that the Contractor's representations in Sections A or B of this Paragraph 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to NMHIX and notwithstanding anything in the Agreement to the contrary, NMHIX may immediately terminate the Agreement.

D. The Contractor shall provide immediate written notice to NMHIX if, at any time during the term of this Agreement, the Contractor becomes aware of circumstances that suggest a potential conflict of interest or the appearance of impropriety.

13. Amendment

This Agreement shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for Violation of Law

The New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

16. Non-Discrimination and Equal Opportunity Compliance

The Contractor agrees to abide by all applicable federal and state laws and rules and regulations pertaining to non-discrimination and equal employment opportunity. In accordance with all such laws of the State of New Mexico and the United States, the Contractor assures that no person shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If the Contractor is found not to be in compliance with these requirements during the life of this Agreement, the Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law; Dispute Resolution

A. **Applicable law.** The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions.

B. **Dispute resolution.** Parties to this Agreement shall utilize methods of alternative dispute resolution to resolve disputes arising under this Agreement. NMHIX and Contractor agree to resolve disputes first through good faith negotiation, and if unsuccessful, through mediation and/or arbitration. No dispute arising under or relating to this Agreement may be brought in a court of law. The process for alternative dispute resolution is as follows:

1) **Negotiation.** The parties are encouraged to resolve disputes through negotiation prior to mediation or arbitration. In the event of any dispute, claim, question, or disagreement arising from or relating to a contract or the breach thereof, the parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, NMHIX and Contractor shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 30 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be mediated or finally settled by arbitration administered by the American Arbitration Association (AAA) in accordance with the provisions of its Commercial Arbitration Rules.

2) **Mediation.** If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties may first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. Parties may agree upon a mediator and the terms of the mediation, or may use an AAA administrator to assist the parties regarding selection of the mediator, scheduling, pre-mediation

information exchange and attendance of appropriate parties at the mediation conference. The mediation shall be scheduled within 30 days of notice to the other party that one party seeks to mediate the dispute.

3) Arbitration. If negotiation and mediation fail to resolve the dispute, or the time frames establish for negotiation or mediation pass, a controversy or claim arising out of this Agreement, or the breach of this Agreement, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

4) Time periods. The time periods established in this Paragraph 17 may be amended by mutual agreement of the parties.

18. Workers Compensation

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by NMHIX.

19. Records and Financial Audit

A. The Contractor shall maintain detailed time and expenditure records, if any, that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of ten (10) years from the date of completion of this Agreement. The records, if any, shall be subject to inspection by the NMHIX, the State Auditor, HHS, the OIG, the Comptroller General of the United States, and any of their duly authorized representatives.

B. NMHIX shall have the right to audit billings both before and after payment, including but not limited to a financial statement audit performed in accordance with government accounting standards for financial reporting. The Contractor agrees to be subject to findings and sanctions assessed as a result of any negative, material findings from such an audit and will make repayment of any excessive or illegal payments by NMHIX. Payment under this Agreement, if any, shall not foreclose the right of NMHIX to recover excessive or illegal payments.

20. Indemnification

A. General Indemnification. The Contractor shall defend, indemnify and hold harmless NMHIX, its Board, employees, officers and agents from all third party actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which are caused by the negligent act or negligent failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, to the extent resulting in injury or damage to persons or personal property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor for which Contractor is obligated to indemnify NHMIX, the Contractor shall, as soon as practicable but no later than two (2) business days after it receives notice thereof, notify the legal counsel of NMHIX and the Risk Management Division of the New Mexico General Services Department by certified mail.

B. Indemnification for Professional Acts, Errors, or Omissions. Except for professional acts, errors or omissions that are the result of established gross negligence or willful or wanton conduct on the part of the Contractor or its employees, agents, representatives or subcontractors, the General

Indemnification shall not apply to professional acts, errors or omission unless covered by Contractor's Professional Liability insurance.

21. Invalid Term or Condition

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

22. Enforcement of Agreement

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

23. Notices

Any notice required to be given to any party by this Agreement shall be in writing and shall be delivered in person, by courier service, nationally recognized overnight express common carrier or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To NMHIX:
Cheryl Gardner
CEO, NMHIX
New Mexico Health Insurance Exchange
7601 Jefferson St. NE Suite 160
Albuquerque, NM 87109

To Contractor:
Tomasz Kapusta
Public Consulting Group, Inc.
148 State Street
Tenth Floor
Boston, MA 02109

24. Authority

The individual(s) signing this Agreement on behalf of each party represents that he or she has the power and authority to bind such party, and that no further action, resolution, or approval from either party is necessary to enter into a binding contract.

25. Debarment and Suspension

A. Consistent with either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable, and as a separate and independent requirement of this Agreement the Contractor certifies by signing this Agreement, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency; (2) have not, within a three-year period preceding the effective date of this Agreement, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of

embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Paragraph 25(A); (4) have not, within a three-year period preceding the effective date of this Agreement, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

B. The Contractor's certification in Paragraph 25(A), above, is a material representation of fact upon which NMHIX relied when this Agreement was entered into by the parties. The Contractor's certification in Paragraph 25(A), above, shall be a continuing term or condition of this Agreement. As such at all times during the performance of this Agreement, the Contractor must be capable of making the certification required in Paragraph 25(A), above, as if on the date of making such new certification the Contractor was then executing this Agreement for the first time. Accordingly, the following requirements shall be read so as to apply to the original certification of the Contractor in Paragraph 25(A), above, or to any new certification the Contractor is required to be capable of making as stated in the preceding sentence:

(1) The Contractor shall provide immediate written notice to NMHIX if, at any time during the term of this Agreement, the Contractor learns that its certification in Paragraph 25(A), above, was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances.

(2) If it is later determined that the Contractor's certification in Paragraph 25(A), above, was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances, in addition to other remedies available to NMHIX, NMHIX may terminate the Agreement.

C. The Contractor shall require each proposed first-tier subcontractor whose subcontract will equal or exceed \$25,000 to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal department or agency. The Contractor shall make such disclosures available to NMHIX when it requests subcontractor approval from NMHIX. If the subcontractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal, state or local department or agency, NMHIX may refuse to approve the use of the subcontractor.

26. Federal Tax Information

A. Performance. In performance of this Agreement, and to the extent required by law, Contractor agrees to comply with and assume responsibility for compliance by Contractor's employees with the following requirements:

- i. All work will be performed under the supervision of the Contractor or the Contractor's responsible employees.
- ii. Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this Agreement or as otherwise required by law. Inspection by or disclosure to anyone other than an officer or employee of the Contractor is prohibited.

- iii. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
 - iv. No work involving returns and return information furnished under this Agreement will be subcontracted without ensuring compliance with appropriate safeguards.
 - v. The Contractor will maintain a list of employees authorized access. Such list will be provided to NMHIX and, upon request, to the IRS reviewing office.
 - vi. NMHIX will have the right to void the Agreement if the Contractor fails to provide the safeguards described above.
- B. Criminal/Civil Sanctions for Disclosure of Protected Information. In performance of this Agreement, and to the extent required by law, Contractor agrees to the following requirements:
- i. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by Internal Revenue Code (IRC) Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
 - ii. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any returns or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this Agreement. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.
 - iii. Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C.

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

- iv. Granting a Contractor access to Federal Tax Information (FTI) must be preceded by certifying that each individual understands NMHIX's security policy and procedures for safeguarding IRS information. The Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in NMHIX's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A. The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches (See IRS Publication 1075, Tax Information Security Guidelines). For both the initial certification and the annual certification, the Contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements

27. Force Majeure

No party shall be deemed in default of, nor shall any party be liable for any damages suffered or costs incurred by another party arising out of any cessation, interruption, delay or failure to perform its obligations under this Agreement if such cessation, interruption, delay or failure results from causes beyond the party's reasonable control, including, without limitation, earthquake, flood, storm or other natural disaster, act of God, acts of war, epidemics, acts of government, power failures, malicious network attacks, nuclear accidents, and acts of terrorism.

28. Insurance

A. The Contractor shall not begin the services required under this Agreement until it has: (a) obtained, and upon NMHIX's request provided to NMHIX, insurance certificates reflecting evidence of all insurance required herein; however, the NMHIX reserves the right to request, and the Contractor shall submit, copies of any policy upon reasonable request by NMHIX; (b) obtained NMHIX approval of each company or companies as required below; and (c) confirmed that all policies contain the specific provisions required. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of Agreement by NMHIX.

Further, the Contractor shall not modify any policy or endorsement thereto which increases NMHIX's exposure to loss for the duration of this Agreement.

- B. **Types of Insurance.** At all times during the term of this Agreement, the Contractor shall maintain insurance coverage as follows:

(1) Commercial General Liability (CGL) Insurance must be written on an ISO Occurrence form or an equivalent form providing coverage at least as broad which shall cover liability arising from bodily injury, personal injury or property damage providing the following minimum limits of liability.

General Annual Aggregate (other than Products/Completed Operation)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal Injury Limit	\$2,000,000
Each Occurrence	\$1,000,000

(2) Automobile Liability. For all of the Contractor's automobiles including owned, hired and non-owned automobiles, the Contractor shall keep in full force and effect, automobile liability insurance providing coverage at least as broad for bodily injury and property damage with a combined single limit of not less than \$1 million per accident. An insurance certificate shall be submitted to NMHIX that reflects coverage for any automobile.

(3) Professional Liability. For the Contractor and all of the Contractor's employees who are to perform professional services under this Agreement, the Contractor shall keep in full force and effect, Professional Liability insurance for any professional acts, errors or omissions. Such policy shall provide a limit of not less than \$1,000,000 per claim and \$1,000,000 annual aggregate. The Contractor shall ensure both that: (1) the policy retroactive date is on or before the date of commencement of the first work performed under this Agreement; and (2) the policy will be maintained in force for a period of three years after substantial completion of the project or termination of this Agreement whichever occurs last. If professional services rendered under this Agreement include work relating to environmental or pollution hazards, the Contractors policy shall not contain exclusions for those activities.

(4) Workers' Compensation. For all of the Contractor's employees who are subject to this Agreement and to the extent required by any applicable state or federal law, the Contractor shall keep in full force and effect, a Workers' Compensation policy & Employers Liability policy. That policy shall provide

Employers Liability Limits as follows:

Bodily Injury by Accident	\$500,000	Each Accident
Bodily Injury by Disease	\$500,000	Each Employee
Bodily Injury by Disease	\$500,000	Policy Limit

The Contractor shall provide an endorsement that the insurer waives the right of subrogation against NMHIX and its respective officials, officers, employees, agents, volunteers and representatives.

C. Cancellation. Except as provided for under New Mexico law, all policies of insurance required hereunder must provide that the NMHIX is entitled to thirty (30) days prior written notice (10 days for cancellation due to non-payment of premium) of cancellation or non-renewal of the policy or policies. Cancellation provisions in insurance certificates shall not contain the qualifying words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives". In the event the Contractors' insurance carriers will not agree to this notice requirement, the Contractor will provide written notice to the NMHIX within four working days of Contractors receipt of notice from its insurance carrier(s) of any cancellation, nonrenewal or material reduction of the required insurance.

D. Insurer Requirements. All insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have rated "A-" and "V" or better by the A.M. Best Key Rating Guide, that are authorized to do business in the State of New Mexico, and that have been approved by the NMHIX. The NMHIX will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of New Mexico.

E. Deductibles. All deductibles or co-payments on any policy shall be the responsibility of the Contractor.

F. Specific Provisions Required. Each policy shall expressly provide, and an endorsement shall be submitted to the NMHIX, that the policy or policies providing coverage for Commercial General Liability must be endorsed to include as an Additional Insured, the NMHIX and its respective officials, officers, employees, agents, volunteers and representatives.

G. All policies required herein are primary and non-contributory to any insurance that may be carried by the NMHIX and its officials, officers, employees, agents, volunteers and representatives, as reflected in an endorsement which shall be submitted to the NMHIX.

H. The Contractor agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the NMHIX's exposure to loss.

I. Before performing any Professional Services, the Contractor shall provide the NMHIX with all Certificates of Insurance accompanied with all endorsements.

J. The NMHIX reserves the right, from time to time, to review the Contractor's insurance coverage, limits, and deductible and self-insured retentions to determine if they are acceptable to the NMHIX. The NMHIX will reimburse the Contractor for the cost of the additional premium for any coverage requested by the NMHIX in excess of that required by this Agreement without overhead, profit, or any other markup.

K. The Contractor may obtain additional insurance not required by this Agreement.

29. New Mexico Tort Claims Act

Any liability incurred by NMHIX in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1, *et seq.*, as amended.

NMHIX and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense, and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

30. Communications

The NMHIX desires to maintain a consistent and coherent public message regarding the work of the NMHIX, its contracting partners, and the contractual relationship between the NMHIX and its contracting partners. Contractor expressly acknowledges the NMHIX's interest in this regard and agrees that Contractor shall not communicate with the media or the public regarding this Agreement or the work performed pursuant to this Agreement, during the term of the Agreement and for a reasonable period of time following the termination of this Agreement, without requesting and receiving authorization from the NMHIX to engage in the communications. Contractor also agrees to comply with the NMHIX Communications Policy, as it may be amended from time to time.

31. Compliance with Law

The Contractor agrees to comply with all laws and regulations that are applicable to this Agreement and the Contractor's Scope of Work now enacted or that become effective during the term of this Agreement, including but not limited to, laws and regulations enacted pursuant to the Affordable Health Care Act.

32. Counterparts

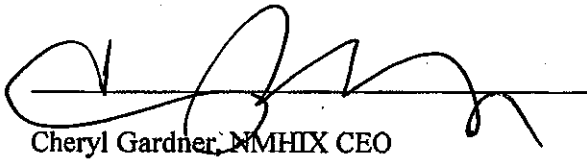
This Agreement may be executed in counterparts, each of which shall constitute an original.

33. License for Office Space

- A. The parties shall work in good faith to make arrangements for NMHIX to provide Contractor with a license to access, use, and occupy all or a part of the premises located at 7601 Jefferson St. NE, Suite 160, Albuquerque, NM 87109, including three (3) of six (6) offices, seven (7) of fourteen (14) cubes, and all common areas, which NMHIX currently leases from JCC-One LLC ("Landlord"). The license shall be for the purpose of providing professional services under this Agreement and for the Term of this Agreement. NMHIX represents that it has the right under its lease to request the Landlord's approval for NMHIX to assign or sublease the premises to a subtenant and that it shall make such a request of the Landlord in due course. The parties intend that the value of this license, subject to the Landlord's approval and further negotiations between the parties, shall be equal to the sum payable by NMHIX to the Landlord in accordance with its lease for the Term of this Agreement, as follows: \$10,000 each month in 2019; \$10,000 each month in 2020; and \$10,000 each month in 2021.
- B. The parties further intend that NMHIX shall license Contractor to use tangible property such as office equipment, furniture, and other materials belonging to NMHIX, and that the value for such license to use the tangible property shall be equal to \$1,250 per month.

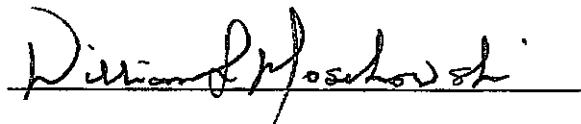
C. The combined value of the licenses contemplated in subparagraphs A and B shall be reflected on Contractor's invoices as a pro rata credit.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the signatures below.



Cheryl Gardner, NMHIX CEO

1/15/2019
Date



William S. Mosakowski, President and CEO
Public Consulting Group, Inc.

1-7-2019
Date

EXHIBIT A

Individual Exchange PMO

A-1 Scope of Work

The Contractor will execute the following Tasks:

1. Project Management Services
2. Planning and Blueprint Coordination
3. Requirements Management
4. User Acceptance Testing Services
5. Professional Consultant and Staff Support Services

1. Project Management Services

Project management activities include project initiation and tasks to determine the nature and scope of the project and identifying stakeholders, project planning for plan time, cost, quality, resources, risks, and communications to estimate the project work, project execution, project controlling. An orderly closeout of the contract will be part of the project closing phase. The Contractor will establish a standardized framework to aid the project management process, understand, document and communicate the goals, and be proactive in collaborating with NMHIX leadership, staff and vendors. The Contractor will ensure that projects are delivered on time, in scope and on budget. The Contractor will use PMBOK® universally accepted best practices.

Preliminary Planning and Initiation

The Contractor will schedule and facilitate initial project Kick-Off activities, which will include all key NMHIX stakeholders, project staff, relevant NMHIX vendors. The kick-off meeting will cover the preliminary project schedule, key plans/deliverables, and review project roles and responsibilities for all associated project staff and contributors. The Contractor will present the draft scope of the project and charter at the kick-off. In advance of the PMO Kick-Off meeting, the Contractor will work collaboratively with the project staff, NMHIX staff, relevant NMHIX vendors, and key NMHIX stakeholders to promote a shared understanding of the PMO's project organization, scope, schedule, approach, roles and responsibilities, project tasks, and deliverables. The Contractor will utilize the kick-off meeting to level set expectations across functional project teams to achieve a thorough understanding and agreement of standards to be deployed during all aspects of the project.

The contractor will set expectations as early as possible with project staff, NMHIX staff, relevant NMHIX vendors, and key NMHIX stakeholders during the initiation phase of the project. The Contractor will oversee the project to ensure that the agreed upon processes, policies, and procedures are being followed. The Contractor will offer its Project Management Methodology as a framework, but also accommodate any existing processes or tools that NMHIX may have in place as well as work with NMHIX to define project standards. As a result, the Contractor will establish the project management framework, processes, and procedures.

The Contractor will work with NMHIX, its vendors, and other stakeholders as they manage their work, report on progress, and measure the quality of ongoing deliverables. The Contractor will outline and initiate a communications plan, introduce project teams, detail items that are part of the work scopes, and prepare all teams for project initiation on the contract start date. During project initiation, The Contractor will establish a comprehensive and cohesive Communications Management Plan. The plan will include such elements as type of project information communicated, cadence for regularly scheduled project meetings, communication methods such as meetings, email, phone, web portal, etc., frequency of formal and informal project communications, flow of communications. In addition, the communications plan will address internal or external constraints that affect project communications, standard templates, document formats, and most importantly an escalation process for resolving any communication-based conflicts or issues

Standards will include such elements as review the mission, define success for this project, stakeholder identification and roles, review project governance framework, master work plan/schedule, establish cadence for monthly status meetings and status reports, communications plan, cadence, content and format of other deliverables. In addition, the standards will include the cadence and process for deliverables review, risk & issue management and mitigation process, identification of data repositories and access rights, and defining industry best practices and standards.

Deliverable Management

The Contractor will provide project oversight and the necessary Project Life Cycle (PLC) process discipline including defining and implementing a comprehensive deliverable management process. The Contractor will develop a thorough deliverable sign-off procedure and a set of templates. The Contractor will customize the sign-off template based on the NMHIX governance model for approval authority. The contractor commits to submitting a final deliverable sign-off procedure and template within five (5) business days of commencing work with NMHIX.

The Contractor will coordinate with NMHIX to implement and manage the deliverable review process for all project deliverables. The contractor will coordinate directly with the deliverable contributors and the deliverable reviewers as defined and designated by NMHIX to ensure that

agreed upon deliverables and work products are received, reviewed and processed through final disposition in a timely manner.

The Contractor will ensure all deliverables meet the quality standards and formats established by the NMHIX in a consistent manner using the best practices and experience from similar engagements. For each deliverable, the Contractor will utilize the following approach to align the deliverables with NMHIX specifications:

1. Establish deliverable expectations and acceptance criteria
2. Deliver interim work product
3. Submit final deliverable
4. NMHIX review
5. Update deliverable and resubmit for approval
6. Validate re-submission for approval
7. Capture final sign-off by designated approval stakeholders

As a part of tracking all project deliverables, the contractor will coordinate with the NMHIX in the development of a Deliverables Tracking Log. This log will list all contract deliverables for each NMHIX vendor and deliverable details and attributes.

Document Management

The contractor will recommend a repository structure and manage the NMHIX project document library using SharePoint for project collaboration and a document repository. The Contractor will ensure that all documents and artifacts are maintained as per best practices. The Contractor will also ensure that the documented managed processes are followed by NMHIX vendor partners. Where necessary, the contractor will scan and store required hard copy documentation in .pdf format, scan hard copy documents for storage in the library, and validate that project documentation is available to NMHIX staff and other users by conducting semi-annual audits of the SharePoint repository. The Contractor will develop and utilize a Document Management Plan to ensure that all best practices are maintained and properly utilized, and create a living document library index based on a logical, hierarchical folder structure.

Project Work Plan

The Contractor will submit a preliminary Work Breakdown Structure (WBS) to NHMIX for review. The approved WBS will be used to create a detailed project schedule in MS Project. Using the project schedule, the Contractor will establish the baseline for the PMO to quickly and efficiently manage completion of tasks and deliverables. The Contractor will leverage the WBS as a starting point for final deliverable development.

Status Meetings and Reporting

The Contractor will schedule and facilitate project meetings as agreed upon in the Communications Management Plan. The Contractor will ensure that meeting minutes include key decisions, outcomes and action items. The Contractor will facilitate project meetings that

cover a variety of topics from initial planning, requirements & design, to weekly status meetings. Regardless of the meeting topic, The Contractor will follow best practices in providing proper notice, clear agendas, and tools for in-person or remote facilitation and participation.

The Contractor will standardize the status reporting approach to ensure it provides efficient updates and addresses the specific needs expressed NMHIX. Status reports will provide current trends and key metrics, such as schedule, risks, and resources. The Contractor will show additional metrics as needed. Status reports will also provide information regarding deliverables as well mitigation efforts for any risks or issues currently being tracked for the project. The contractor will work with NMHIX to derive the optimal reporting format and content. Status reporting framework will be documented in the Communications Management Plan.

2. Planning and Blueprint Coordination

The Contractor will assist with the development of the federally-required Exchange Blueprint and related documents. The Contractor will also assist NMHIX with work that comes before writing and submitting the Blueprint, which includes working collaboratively with State agencies to create necessary agreements, working internally within NMHIX to determine and implement organizational strategy, and analyzing options available within budget to meet sustainability requirements.

3. Requirements Management

The Contractor will provide business analysis services and employ a requirements management methodology for the Individual Exchange and Call Center project. The Contractor will gather and develop requirements and work with NMHIX to collect and review available documentations, including a comparative analysis of existing requirements from other state exchanges and call centers. The Contractor will define necessary business, technical, and regulatory requirements and incorporate new ones throughout the requirements life cycle. The Contractor will work with NMHIX and project partners to validate and documents the requirements in a Requirements Traceability Matrix (RTM)

4. User Acceptance Testing Services

The Contractor will use industry best practices to plan and execute User Acceptance Testing (UAT), which includes providing testers for the UAT execution phase of the Individual Exchange project. The Contractor will coordinate with NMHIX, the IV&V vendor and the Technology Solution Provider, to develop a common set of “testing standards” and ensure that these standards are in alignment with any existing testing standards as provided by the Solution Vendor, to promote consistency across all testing activities. The contractor will document the Entry and Exit criteria agreed to by NMHIX, IV&V, the PMO and other vendors.

The contractor will be closely involved in the development of UAT test Cases. The contractor will assist NMHIX in ensuring that all quality and test plans require test cases that have been developed using industry best practices and target either a very specific piece of functionality early in the lifecycle or a broad swath of system functionality, which focus on how complex system components interact. The Contractor will validate that there is traceability from requirement all the way to test case. The Contractor will ensure that each requirement is linked directly to a test case, and each test case is executed during some portion of UAT.

The Contractor will help NMHIX develop a test plan that clearly defines reporting expectations for all stakeholders involved in testing related activities. The Contractor will coordinate the development of test status reports and consolidate individual reports to provide NMHIX with a complete picture of the status of testing across all phases of testing.

The contractor will employ defect reporting metrics. Daily reporting will provide all stakeholders insight into the daily progress of testing, to can quickly and easily analyze which areas require the most attention and corrective action. The contractor will work with the technology solution vendor to provide such insight throughout the testing effort.

5. Professional Consultant and Staff Support Services

The Contractor will provide or assist NMHIX with the following activities on an as needed basis:

- Strategic analysis, planning and assistance with decision making on key areas involved with the implementation of state-based marketplaces
- Analysis and research in various areas, including providing access to the Contractor's nationwide pool of subject matter experts, or developing research papers
- Assistance with the development of rules, regulations, policy and operational procedures governing state-based marketplaces
- Support in liaising between the NMHIX, Federal partners, and NM agencies' representatives, health insurance marketplace partners, and vendors
- Support and assistance in meeting the requirements of the eleven "Exchange Areas"
 - o Legal Authority and Governance
 - o Consumer and Stakeholder Engagement and Support
 - o Eligibility and Enrollment
 - o Plan Management
 - o Financial Management, Risk Adjustment and Reinsurance
 - o Small Business Health Options Program (SHOP)
 - o Organization and Human Resources
 - o Finance and Accounting
 - o Technology/IT Systems
 - o Privacy and Security
 - o Oversight and Program Integrity
- Other responsibilities in support of the Individual Exchange project, as assigned.

A-2 Project Cost

The Contractor shall provide the services as described in Contractor’s Proposal and at the rates set forth therein:

Role	Rate / hr
Project Manager	\$265
HIX Advisor	\$265
Functional Lead	\$185
Technical Lead	\$185
Business Analysis Lead	\$265
Testing Lead	\$185
Project Coordinator	\$170
Business Analyst	\$170
QA analyst/Tester	\$125
Subject Matter Expert	\$265

The table below includes the total not-to-exceed amount for the project by calendar year, and incorporates all costs, fees, staffing costs, overhead, travel, taxes, and other expenses.

	IM PMO Services
2019	\$ 2,895,810
2020	\$ 4,674,640
2021	\$ 945,000
TOTAL	\$ 8,515,450

Payment shall be made only for services actually performed and approved expenses after receipt and approval by NMHIX of a detailed invoice which shall include sufficient information to enable the NMHIX to verify all work performed and expenses incurred.

