

Family Health Centers, Inc.

Request for Proposal (RFP)

for

**Digital Radiology Imaging and Archival Systems including
Digital Image Capture Reader (CR) and PACS Server**

Date Issued: 02/12/2010

Date Due: 02/26/2010

Table of Contents

I.	Introduction	4
II.	RFP Instructions	6
	A. Completing the RFP	
	B. Format, Due Date	
	C. Contract	
	D. Confidentiality	
	E. Selection Process	
	F. Disclaimer	
	G. Conflict of Interest	
	H. RFP Related Questions	
III.	Vendor Background.....	10
	A. Company Information	
	B. References	
IV.	System Requirements & Specifications.....	11
	A. Background and General Project Requirements	
	B. CR & PACS System Minimum Specifications Chart	
	C. PACS Minimum Specifications and Functional Requirements	
	D. CR Minimum Specifications and Functional Requirements	
	E. Customer Supplied Hardware & Software Options	
	1. Server Hardware	
	2. Microsoft Server and Database Software	
	3. Existing Virtual Environment Support	
	4. Existing SANS Environment Support	
	F. Interface Capabilities	
	1. EMR Interface	
	2. Practice Management System Interface	
	3. Ultrasound Interface	
	4. Scanning	
	5. Faxing	
	G. Electronic Transmission and Reception of Radiology Data	
	1. Transmission	
	2. Reception	
	H. Current & Proposed Radiology Equipment Configuration	
	1. Overview – Current Radiology Equipment Configuration	
	2. Overview – Proposed Radiology Equipment Configuration	
	I. Qualifications & Equivalencies	

V.	Installation, Professional Services, & Support	19
A.	Installation & Professional Services	
1.	Project Scope and Responsibilities	
2.	Professional Services	
3.	Implementation & Training Schedule	
B.	Warranty Maintenance & Post Warranty Support	
C.	Warranty & Support Questions	
D.	Technical Training	
VI.	Pricing & Terms	22
A.	Equipment & Delivery	
B.	Pricing	
C.	Terms	
D.	Default	

I. Introduction

Family Health Centers, Inc. (FHC) is an independent, not-for-profit (501C3), Federally Qualified Community Health Center located in Louisville, Kentucky. FHC has been in business for over 31 years and operates seven clinical sites in the Louisville/Jefferson County metropolitan area. FHC currently employs in excess of 350 full and part time employees and operates on a 25 million dollar annual budget that includes federal, local, and state public funding sources.

FHC applied for and was awarded a Federal Grant through the American Recovery and Reinvestment Act (ARRA) Capital Improvement Program (CIP) for purchasing Digital Radiology Imaging and Archival Systems, including a Digital Image Capture Reader (CR) and PACS Server.

FHC is committed to ensuring that goods and services are purchased in an effective and efficient manner that provides, to the maximum extent practicable, open and free competition, and in compliance with the provisions of applicable federal, state and local statutes and executive orders. FHC has established and maintains appropriate procedures addressing the procurement of goods and services to accomplish this objective.

In accordance with standards set by the ARRA CIP Grant, grant recipients and vendors receiving grant funds must comply with these applicable federal standards and regulations:

- Equal Employment Opportunity, as amended (E.O. 11246)
- Copeland "Anti-Kickback" Act (18 U.S. C. 874 and 40 U.S.C. 276c)
- Davis Bacon Act, as amended (40 U.S.C. 276a to a-7)
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)
- Rights to Inventions Made Under a Contract or Agreement (37 CFR Part 401)
- Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.)
- Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
- Debarment and Suspension (E. O. 12549 and 12689)

To support this project FHC will purchase the Digital Image Capture Reader (CR), PACS Server, and related digital imaging and archival software, hardware, installation, and professional services necessary to implement a fully functional integrated system. FHC is currently soliciting bids from factory authorized dealers of these products who have a well-established support program in the Louisville/Jefferson County market and are able to meet the minimum requirements defined in this document.

Vendors responding to this RFP will be responsible for the timely acquisition and delivery of all hardware, software, and accessories detailed in this document. In addition, respondents must have the necessary expertise and staff required to provide the installation and professional services to complete this project.

Vendors are also required to submit firm timetables for delivery, implementation, and any required training denoted in the RFP response in the form of a **“Project Scope and Design Document”** detailed in (section II-A). In addition, an equipment list detailing all hardware, software, accessories, and professional services must be provided with the RFP response including any shipping and/or delivery charges.

The selected vendor will be responsible for providing the following:

- Project related hardware, software, and accessories. Feature requirements and system capabilities as defined in (section IV).
- Installation, configuration, and post installation certification of equipment as defined in (section V).
- Warranty support as defined in (section V).
- Extended warranty and maintenance support of purchased equipment and software as defined in (section V).
- Technical training as defined in (section V).
- Timely delivery and implementation of the specified equipment as defined in (section V & VI).
- Upgrades to the systems as necessary.

II. RFP Instructions

A. *Completing the RFP*

Provide a complete description of the equipment and services included in your bid response as well as a project scope and estimated timeline. A separate equipment list of vendor supplied hardware and software is required. Any non-vendor supplied equipment and/or services required to complete the project are to be specifically noted. All proposed hardware, software, and professional services must be listed in the bid. The bid response must also include a complete **"Project Scope and Design Document"** explaining the proposed implementation and specific details and timelines of the project.

No verbal agreements will be considered during the bid process. The quality of the response to the RFP will be viewed as an example of the vendor's capabilities.

Only current production hardware and software will be considered. Hardware or software under development, in planning, or at beta test will not be considered. Discontinued models, demos, refurbished, and/or used equipment will only be considered if it is clearly denoted in the RFP response and has been mutually agreed upon by FHC and the vendor; otherwise this equipment will not be considered for the bid process and use of such will result in disqualification of the submitted bid. If a model is replaced or updated between the bid process and equipment delivery, an equivalent updated or upgraded model can be submitted for approval with supporting manufacturer data. Vendors can also include additional information about future developments or plans under separate attachment if applicable.

FHC expects this to be a **"TURN KEY"** project, meaning that any and all items or services required to complete the project are to be included in the bid, or specifically noted if not. FHC's expectation is that upon project completion, all hardware, software, and professional services required to implement the **Family Health Centers Digital Radiology Imaging and Archival System** will have been provided. FHC also expects that this equipment will meet or exceed the bid specifications. It is the prospective vendors' responsibility to ensure that all equipment, labor, and necessary engineering time are included in the submitted bid to cover the stated project scope. If you require any clarification, provide the questions via email or fax to Larry Owen (see section II-H).

Quoted prices and discounts are to be guaranteed for at least 60 days from the bid close date.

B. Format, Due Date

BIDS: Sealed bids in triplicate for furnishing all hardware, software, and professional services required to complete the **Family Health Centers Digital Radiology Imaging and Archival Systems Project** will be received in the office of Family Health Center-Portland, Room 419 at 2215 Portland Avenue until 2:00 P.M., E.D.T., Friday February 26th 2010. No late bids will be accepted and the bid opening is public.

All submitted bids will be considered the property of FHC. All proposals should include copies of product descriptions for the proposed equipment.

Name one person to be the coordinator for your RFP response, this individual will be the point of contact for any necessary clarification.

Contact Name:

Company:

Title:

Address:

Phone:

Fax:

Email:

C. Contract

The bid should include a contract for all proposed equipment and services. If the vendor does not wish to submit an actual contract with the bid, due to alternatives proposed and pending choices from those alternatives, a sample contract should be submitted with the bid.

D. Confidentiality

Information submitted will be used by FHC for the sole purpose of evaluating vendor responses. However, this project is funded through the American Recovery and Reinvestment Act (ARRA) Capital Improvement Program (CIP) and is thereby subject to open records requests. Because of these provisions, contents of the bid can be viewed by government entities or other bidders upon the opening date and all bids will be tabulated during the public bid opening.

E. Selection Process

Several factors will influence FHC's decision in selecting the vendor and the product line they represent. In addition to cost considerations, proposals will be evaluated on the basis of the following factors:

1. Functionality of proposed solution and ability to meet the projects specific needs
2. Availability of optional components and capabilities
3. System growth and expansion
4. Product quality, reliability, and warranty plan
5. Ease of configuration and administration
6. A credible commitment by the vendor/manufacturer to the product and the ongoing enhancement of future capabilities and service
7. Vendor qualifications including:
 - a. Overall experience and reputation in the industry
 - b. Experience with the proposed solution
 - c. Service and support resources, including overall skill level of technical personnel
 - d. Verifiable quality of services provided by vendor to area customers

In addition, any vendor submitting a bid must be recognized as a current Authorized Dealer of the equipment they are quoting and have a proven regional service and support system in place prior to submitting the bid.

F. Disclaimer

Please note that FHC will select the vendor based upon the best overall solution and value and is not obligated to select the lowest priced bidder; this RFP does not commit FHC to any specific course of action. In addition, FHC reserves the right to purchase either selected components, or to not select any vendor or purchase any goods and services resulting from this RFP.

G. Conflict of Interest

No public official, Family Health Centers board member, or Family Health Centers employee, shall participate in any decision related to the award of this contract, which affects their personal interests or has any pecuniary interest, directly or indirectly, in this contract or the proceeds thereof.

H. RFP Related Questions

Submit any RFP related questions to:

**Larry Owen - Director of Information Systems
Family Health Centers
2215 Portland Avenue
Louisville, Kentucky 40212**

Phone: 502-772-8114

Fax: 502-772-3489

Email: Lowen@fhclouisville.org

III. Vendor Background

A. Company Information

1. List your company's legal name, physical address, and telephone number. Include parent company information if applicable.
2. How long has your company been in business?
3. How long has your company been selling and supporting Digital Radiology equipment?
4. How many employees do you have?
 - a. How many are dedicated to support?
 - b. How many are based in the Louisville regional area?
 - c. How many technicians are certified on the proposed equipment?
5. If your company relies on contractual agreements with outside service providers to support the Digital Radiology products you sell, then please explain the nature of the agreement, and give a name(s) and contact information for the service provider(s).

B. References

Provide a minimum of three (3) references of your customers that have purchased products and services similar to that being proposed in the RFP. Include contact names, telephone numbers, and physical addresses.

IV. System Requirements & Specifications

A. Background and General Project Requirements

As stated in (section I), FHC has applied for and been awarded a Federal Grant through the American Recovery and Reinvestment Act (ARRA) Capital Improvement Program (CIP) for the purchase of Digital Radiology Imaging and Archival Systems, including a Digital Image Capture Reader (CR) and a PACS Server. To support this project FHC will purchase related digital imaging and archival software, hardware, installation, and professional services necessary to implement a fully functional unified system. Please refer to tables IV-B through IV-D for detailed hardware and software specifications.

B. Current & Proposed Radiology Equipment Configuration

1. Overview - Current Radiology Equipment Configuration

Currently FHC performs approximately 5000 radiology studies per year using its existing film based X-Ray equipment. A film based Universal APX 525 X-Ray machine and a Kodak X-Omat M6B processor are used to produce and process all radiology films. These films are sent via courier to an offsite facility for reading and interpretation. The results are faxed back to FHC and the films are then returned and archived.

2. Overview – Proposed Radiology Equipment Configuration

Upon project completion FHC expects to utilize the existing Universal APX 525 X-Ray machine and integrate it with the new Digital CR and PACS system. As a result of process improvements and efficiencies afforded by the new digital radiology system, FHC expects to have the capacity to increase the number of studies to approximately 7500 per year. In addition, the digital cassettes will replace the existing X-Ray emulsion based cassettes rendering the film processor unnecessary.

The digital images will be transmitted to an outside radiology group in conjunction with prior digital studies, and archived on the proposed PACS system. The images will be made available to FHC staff and associated Radiology Departments as necessary. Radiology results and reports will be faxed back to FHC for distribution, archival, and merger with the electronic medical record in the PACS system. Paper orders and results will be integrated with the PACS System for retrieval and archival from a single source.

D. PACS Minimum Specifications and Functional Requirements

- Microsoft Windows Server 2003 (or higher) or Linux Red Hat Enterprise 5 (or higher) compliant operating system
- Microsoft SQL 2005 (or higher) database and/or full ODBC compliance
- Microsoft Active Directory and/or LDAP Integration
- Web interface for clinician viewing of images
- Fully HL7 and DICOM Compliant
- Must provide "Modality Worklist"
- Open API for disparate clinical application integration
- Document scanning to DICOM
- Automated backup of all data to DVD, NAS, or SAN
- Must allow image import from CD/DVD, DICOM and Non-DICOM formats
- Must be scalable based on number of exams
- Accepts plug and play storage upgrades
- Image Routing with simultaneous inputs and outputs
- Image transmission occurs to one or multiple destinations based upon customer defined workflow requirements
- Supports rules driven image forwarding
- Supports HIPAA compliant encryption
- Customer controlled DICOM Field remapping
- Allows the user to split and merge studies, series by body part, or delete images
- Automatically send email notification or images via email
- Capability to allow temporary access to a study via email with secure pin and web link
- Capability to burn images to a CD for patient referrals
- Capability to interface with an EMR System (Sage Intergy, etc...)
- Support for Virtualization (VMware and Microsoft Hyper-V)
- Support for wide area network
- Vendors should provide 24/7 365 emergency support
- Vendors must be able to guarantee a maximum response time of 4 hours for critical issues

E. CR Minimum Specifications and Functional Requirements

- CR unit must be able to process at least sixty 14x17 cassettes per hour
- CR unit must be able to read and erase cassettes without the technician having to handle the phosphor
- CR unit must have both DICOM store and DICOM print, and must support DICOM Modality Worklists
- CR unit must store images in a non-proprietary format
- CR unit must be able to store 5,000 images internally without PACS
- CR unit manufacturer must have an established install base with a good track record
- CR unit cassettes should have at least a two year warranty
- CR unit should come with integrated stand or cart
- CR unit must have the ability to read phosphor while being contact free
- CR unit should not require the removal of the phosphor from the cassette to bend it through rollers to read
- CR unit must seamlessly integrate with the proposed PACS system
- The radiology technician must be able to clear a cassette jam easily without a service call
- Vendors should have factory trained service technicians in the Louisville Metro area
- Vendors must be able to guarantee a maximum response time of 4 hours for critical issues

Specifications listed above are suggested minimums only. Please provide a full list of specifications, and features in your response. If the minimum specifications are not met in the response, explain why and what alternate solution is being proposed.

F. Customer Supplied Hardware & Software Options

1. Server Hardware

Prices for server hardware and associated support contracts should be listed separately as FHC may elect to provide these components independent of the contract. If FHC elects to provide the server hardware, we will work collaboratively with the selected vendor to ensure that minimum specifications for the components are met or exceeded.

2. Microsoft Server and Database Software

Prices for Microsoft server and database should be listed separately as FHC may elect to provide these components independent of the contract. FHC participates in Microsoft's charity pricing program and the ability for FHC to purchase these items independent of the contract may directly affect a vendor's ability to provide a competitive price. If FHC elects to provide this software, FHC will work collaboratively with the selected vendor to ensure that minimum specifications for the components are met or exceeded.

3. Existing Virtual Environment Support

FHC has an established VMware virtual environment; if applicable FHC desires to leverage the substantial infrastructure already in place. Any compatibility or support issues regarding FHC's existing "VMware VSpere 4 Enterprise" environment should be outlined in the proposal. If loading any or all of the proposed system on a VMware platform is a supported option these processes should be specifically identified in the RFP response.

4. Existing SANS Environment Support

FHC has an established SANS environment; when applicable FHC desires to leverage the substantial infrastructure already in place. Any compatibility or support issues regarding FHC's existing SANS (Dell Equallogic PS6000 iSCSI) should be outlined in the proposal. If loading any or all of the proposed system on the existing SANS platform is a supported option these processes should be specifically identified in the RFP response.

G. Interface Capabilities

FHC's future Health Information Technology (HIT) plans include implementing a fully integrated and CCHIT certified EMR by the summer of 2011. In preparation for the planned EMR, ancillary systems including the PACS, as defined in this RFP, must demonstrate the ability to integrate seamlessly with the planned EMR.

In the interim FHC will depend on the existing practice management system (Sage Medical Manager) to provide the PACS and CR unit with accurate patient demographics and insurance information. A method to create a Modality Worklist generated from the practice management (PM) system must be a part of any proposed solution. Since patients currently present at the FHC Radiology Department with no electronic orders, a method for the PACS or CR unit to provide an HL7 request to the PM systems must be developed. This "lookup function" should be integrated into the Modality Worklist function or an acceptable alternate method must be presented in the RFP response.

In addition FHC recently purchased a DICOM compatible Ultrasound unit; this unit should be interfaced with the proposed PACS system as well.

1. EMR Interface

Define how the proposed PACS solution will interface and/or integrate with a DICOM compatible EMR system. The PACS/CR solution must also support Modality Work Lists (MWL) generated by the EMR system. Give specific examples and provide references of fully integrated systems that utilize the PACS and CR solution included in your RFP response. Costs associated with this interface must be clearly defined in the RFP response.

2. Practice Management System Interface

Define how FHC's existing Medical Manager PM System will integrate with the proposed PACS and/or CR solution. Provide a detailed plan of how and where the Modality Worklist will be generated and the steps to accomplish this process. Give specific examples and provide references of integrated systems using the PACS/CR solution specified in the RFP response. Costs associated with this interface must also be clearly defined in the RFP response.

3. Ultrasound Interface

Define how FHC's existing DICOM compatible "Medison" ultrasound unit will integrate with the proposed PACS solution. Images taken on this Ultrasound unit together with the patient's demographic information should be transmitted directly from to the proposed PACS solution via an integrated DICOM interface. Ultrasound images archived in the PACS system should be clearly defined as Ultrasound studies and be readily accessible via the web interface using a basic patient demographic search function. Give specific examples and provide references of integrated systems using the PACS solution specified in the RFP response. Costs associated with this interface must be clearly defined in the RFP response.

4. Scanning

Define how the proposed Digital Radiology solution will integrate with FHC's existing system of paper orders. Currently radiology orders are generated by the clinic through a process of electronically producing patient encounter labels through the Practice Management System and hand writing the orders on the preprinted encounter form. The proposed solution must provide an efficient method to integrate these records into the PACS digital records for a centralized method or retrieval and archival. Costs associated with this interface must be clearly defined in the RFP response.

5. Faxing

Define how the proposed Digital Radiology solution will integrate with FHC's existing system of faxed results received from an offsite radiology group. Currently FHC receives results on a fax machine located in the Radiology Department. These results are distributed to the ordering providers and archived in the patients paper chart. The proposed solution must provide an efficient method to integrate these records into the PACS digital records for a centralized method or retrieval and archival. Costs associated with this interface must be clearly defined in the RFP response.

H. Electronic Transmission and Reception of Radiology Data

1. Transmission

Define how the proposed Digital Radiology solution will be configured to transmit DICOM standard radiology images and data (including scanned orders) to an offsite radiology group for reading and interpretation. The transmission method must be integrated seamlessly with FHC's radiology workflow and existing VPN connectivity to provide effective communications with the contracted radiologist's remote PACS system. Costs associated with this interface must be clearly defined in the RFP response.

2. Reception

Define how the proposed Digital Radiology solution will be configured to receive faxed results from an offsite radiology group. These results must be printed for distribution and be archived within the FHC PACS system. This reception method must be integrated seamlessly with FHC's radiology department's workflow and existing telecommunications connectivity to provide effective communications with the contracted radiologist's office. Costs associated with this interface must be clearly defined in the RFP response.

I. Qualifications & Equivalencies

Specifications listed above are defined as minimum required, and must be met before submitting an RFP response. Referenced specifications can be met with equivalent standards where applicable or exceeded without authorization by FHC. If equipment is to be provided that doesn't meet these standards, an equivalency where applicable, must be agreed upon by FHC and the vendor prior to the RFP submission.

Failure to meet the required minimums or propose alternate equipment without prior approval by FHC will result in the disqualification of the bid. If a vendor chooses to submit a bid proposing equipment that exceeds the bid specifications either as a primary or optional bid, clearly denote the differences in the submitted bid.

In addition, only authorized dealers of the data center equipment being quoted will be permitted to participate in the RFP process. Wholesalers or liquidators who are not factory authorized or who do not have the required support channels will have their bids disqualified.

V. Installation, Professional Services, & Support

A. Installation & Professional Services

1. Project Scope and Responsibilities

a. FHC responsibilities:

- i. FHC assumes responsibility for providing the necessary AC power, local area network ports, WAN connectivity, CAT 5/6 cabling, and in house technical support as required to complete the project. FHC also accepts the responsibility to provide the necessary server hardware/software if agreed upon by FHC and the vendor.

b. Vendor responsibilities:

- i. Vendors responding to the RFP will provide all software, licensing, support contracts, and professional services required to meet the specifications listed in section IV.
- ii. The vendor will provide all technical and administrative aspects required to plan, configure, and integrate the proposed "Digital Radiology System" as defined in section IV.
- iii. The vendor will provide technical training to the FHC Radiology and IT staff for the configuration, implementation, and ongoing support of the proposed "Digital Radiology System".
- iv. Failure to adhere to these directives will result in the disqualification of the bid.

2. Professional Services

- a. Responding vendors must have the available technical expertise, either directly employed or contracted, to plan, configure and implement the proposed "Digital Radiology System". These services must be included in the RFP response and be clearly denoted. Examples of the required professional services are:

- i. Technical support and guidance to the FHC staff for the "Digital Radiology System" design and best practices.
- ii. System configuration and implementation.
- iii. Technical support for integration with the existing and RFP defined HIT Systems.
- iv. Technical training for the FHC Radiology and IT staff for the "Digital Radiology System".

This list of proposed professional services should be used as a reference to formulate an RFP response. Additional professional services may be required to complete this project. It is the prospective bidder's responsibility to account for and provide additional services as required to complete the project as defined.

3. Implementation & Training Schedule

- a. A proposed delivery and installation schedule must be included in the **"Project Scope and Design Document"**. It is the prospective vendor's responsibility to ensure the timely acquisition, delivery, and installation of the proposed equipment. It is also incumbent that potential vendors be prepared to facilitate a timely project completion. FHC has strict timelines and milestones established in the Grant guidelines that must be met.

B. Warranty Maintenance & Post Warranty Support

Provide a complete description of the manufacturer and/or vendor supplied warranty and support included in the RFP response (section V-C-1). If no warranty or supplemental support is documented in the response then "no warranty" is assumed by FHC for the vendor's response.

If warranty or support services are to be provided by an entity other than the equipment manufacturer or the RFP respondent, list the organization and its affiliation to the respondent. If optional or upgraded warranty and support programs exist for the equipment listed in the RFP response then the vendor should list the information as an optional cost or in an addendum. (section V-C-4)

C. Warranty & Support Questions

Please answer these warranty and support questions as applicable:

1. Explain in detail the support contract, and length of the contract.
2. What post warranty service arrangements does your company offer?
3. What are your standard service hours?
4. Break down support costs as follows:
 - Per call basis (emergency support calls without Maintenance Agreement)
 - Per call basis (changes and/or technical assistance without Maintenance Agreement)
 - Annual Maintenance Agreement (quote should be for the year(s) immediately following expiration of the specified support contract)
 - Optional maintenance plans
5. Explain in detail how additional options added to the basic system will increase maintenance costs.

6. What are your response times during and after the warranty period?
7. Support Calls — What are your **response times** for a:
 - Critical failure (define a critical failure)
 - Minor failure (define a minor failure)
8. Explain in detail your **support capabilities** for a:
 - Critical failure (as defined above)
 - Minor failure (as defined above)
9. Where is your local support dispatched from?
10. How many “factory authorized” engineers/support personnel do you have located within the local area
11. Do you stock adequate parts to meet your service agreement commitments? (explain)

D. Technical Training

Provide a detailed training plan, number of hours required, and cost to bring FHC's Radiology and IT staff up to speed on the proposed digital solution. In addition, provide optional factory authorized training classes or software as required.

VI. Pricing & Terms

A. Equipment & Delivery

(As stated in Section I)

Vendors responding to the bid process will be responsible for the timely acquisition and delivery of all hardware, software, and accessories listed in this document. Please provide a complete description of the equipment and services included in your bid response as well as an estimated timeline for delivery as defined in the RFP details.

A separate equipment list of vendor supplied hardware and software is also required. Any non-vendor supplied equipment and/or services required to complete the project must be specifically noted. All proposed hardware, software, and services must be included in writing with the bid.

B. Pricing

When submitting the RFP response, include a detailed line item description including a unit price and any applicable shipping and/or delivery charges. Any proposed professional services should also be itemized and priced separately. No verbal agreements will be considered during the bid process. The quality of the response to the RFP will be viewed as an example of the vendor's capabilities.

C. Terms

The payment terms must be clearly stated in the bid specifications. Payment terms should be structured using a milestone based payment schedule. The schedule should start with contract signing, following a logical progression of system delivery and installation, then conclude with the final system acceptance.

D. Default

1. Family Health Centers may, subject to the provisions of (section VI-D-3) below, by written notice of default to the contractor; terminate the whole, or any part, of this contract in any of the following circumstances:
 - a. If the contractors fails to make delivery of the supplies or to perform the services within the time specified.
 - b. If the contractor fails to perform any of the other provisions of the contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, or in either of these two circumstances does not cure such failure within a period of 30 days after receipt of notice from the department specifying such failure.
2. In the event FHC terminates this contract in whole or in part as provided in (section VI-D-1), FHC may procure, upon such terms and in such manner that are deemed appropriate by FHC, supplies or services similar to those terminated. In this circumstance the contractor shall be liable to FHC for any excess costs for such similar supplies or services, subject to the provisions of (section VI-D-3).
3. The contractor shall not be liable for any excess of costs if acceptable evidence has been submitted to FHC that failure to perform the contract was not due to negligence of the contractor.