



RFQ No. HHS0017298  
Exhibit E, Scope of Work (SOW)

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## 2.1 SCOPE OF WORK

Outside Counsel will work with the Health and Human Services Commission (HHSC) to provide specialized legal services regarding complex information technology (IT) matters. Matters may include advising on draft documents, negotiations, and compliance review of software licensing agreements. Selected Outside Counsel will deliver targeted, efficient legal support on technology-related legal issues—such as intellectual property, data security, and artificial intelligence—as well as risk management strategies and specialized negotiation support to ensure best-value procurement.

### 2.1.1 Description of Services

Outside Counsel must have knowledge and experience to provide HHSC with the following legal services which include, but are not limited to:

- a. Advise on complex information technology transactions (e.g., solicitations and contracts);
- b. Advise and assist HHSC in reviewing, revising, and drafting complex information technology agreements (e.g., software licensing agreements, SaaS contracts);
- c. Advise on technology-related legal issues to include intellectual property rights, data privacy and security, artificial intelligence, and dispute resolution;
- d. Provide targeted, timely support to HHSC in negotiations with vendors on complex information technology agreements to ensure procurements are conducted efficiently and result in contracts that provide best value to the State of Texas;
- e. Advise on compliance requirements, under State and federal law, for complex information technology solicitations and agreements;
- f. Provide prompt and effective legal counsel regarding potential risks and provide recommendations for risk management strategies for complex information technology transactions;
- g. Attend in-person meetings and/or virtual meetings, as requested; and
- h. Pursuant to Subsection 1.2.1 (Litigation) of the OCC (*See **Exhibit C***), Outside Counsel understands and agrees that no litigation activities will be initiated by Outside Counsel without the prior written approval of HHSC and OAG.

### 2.1.2 Organization Requirements

- a. Outside Counsel must have experience and specialize in information technology areas, including, but not limited to, intellectual property law, data privacy and security, and artificial intelligence;
- b. Outside Counsel must comply with the requirements of the Office of Attorney General

- related to Outside Counsel Contracts. (See [Texas Administrative Code, Title 1, Part 3, Chapter 57](#) and **Exhibit C, Sample OAG Outside Counsel Contract**);
- c. Outside Counsel must designate a Lead Attorney who specializes in information technology and intellectual property law;
  - d. Outside Counsel must not utilize subcontractors to perform any services for the OCC;
  - e. Outside Counsel may be required to travel within the United States to perform services. Outside Counsel must provide its own transportation for required services, as applicable; and
  - f. Outside Counsel must submit written notice to the HHSC designated Contract Manager no later than five (5) business days of the following:
    - 1. Any change to Outside Counsel's name, organizational structure such as merger or acquisition, or change in form of business;
    - 2. Financial insolvency or inability to pay debts as they become due in the ordinary course of business; or
    - 3. Unpaid obligations owed to the Internal Revenue Service, the State of Texas, or any agency or political subdivision of the State of Texas.

### **2.1.3 Staff Requirements**

- a. The Lead Attorney must:
  - 1. Have at least five (5) consecutive years of recent experience in information technology and intellectual property law matters;
  - 2. Be licensed and eligible to practice law in the State of Texas as reflected by the State Bar of Texas online membership directory;
  - 3. Be in good standing with the State Bar of Texas with no public disciplinary history as reflected by the State Bar of Texas online membership directory; and,
  - 4. Have a demonstrated familiarity with government sector issues (e.g., sovereign immunity, indemnification, dispute resolution).
- a. The Lead Attorney will serve as the point of contact for Outside Counsel and is responsible for communication with HHSC regarding the services as well as oversight of all the services;
- b. The Lead Attorney may utilize other attorneys, paralegals, legal assistants, or other staff of Outside Counsel for performance of the services. Administrative staff performing routine administrative functions are not reimbursable;
- c. The Lead Attorney shall be accountable for all services provided and protecting the interests of HHSC and the State of Texas; and
- d. All staff attorneys providing legal services and advice concerning Texas law must be licensed in Texas and in good standing with the State Bar of Texas, as defined in the State Bar Rules.

- e. Staff attorneys providing legal services and advice concerning federal law matters are required to be licensed within the United States and in good standing with the licensing State Bar of the state in which the attorney practices.

#### 2.1.4 Reports

HHSC may request status reports, access to Outside Counsel's tracking systems for matters, or documentation related to open matters periodically. The status reports' content and format will be determined by HHSC.

#### 2.1.5 Service Area

services will be provided throughout Texas and Outside Counsel may be required to travel within the State to complete legal services performed through this Contract. Outside Counsel must provide their own transportation and travel required will be at the Outside Counsel's own expense.

#### 2.1.6 Invoice Requirements

Invoices for legal services provided by Outside Counsel must be in compliance with [1 Texas Administrative Code, Part 3, Chapter 57, §57.6](#). Invoices are due by the billing period specified in **Exhibit C, Sample OAG Outside Counsel Contract** (or the approved OAG Outside Counsel Contract if different). These services are provided on an as needed basis as specified by HHSC.

Outside Counsel must submit itemized invoices for legal services with associated expenses upon completion of each case/matter by the required invoice submission deadline. Invoices are due electronically to HHSC no later than the last calendar day of the month following the month in which the case/matter was completed. If the invoice submission deadline is not met, the invoice may be denied for payment. Additional information about invoices may be found in **Exhibit C, Sample OAG Outside Counsel Contract**.

Invoices must separate legal service fees (fixed, flat-rate fee, or hourly fees) and expenses, as applicable. Invoices must be submitted with copies of original receipts or other documentation to support the expenses to be considered for reimbursement.

Information regarding travel expenses considered for reimbursement may be found in **Exhibit C, Sample OAG Outside Counsel Contract**. Travel expenses not addressed in the sample template contract will be at the Outside Counsel's own expense.

Pursuant to Texas Government Code, [Chapter 402, Section 402.0212\(b\)-\(b-3\)](#) and [Texas Administrative Code, Title 1, Part 3, Chapter 57, §57.8](#), HHSC is required to submit invoices to the OAG for review and approval in accordance with invoice processing standards.

### 2.1.7 Administrative Fee

Pursuant to subsection [402.0212\(c\) of the Texas Government Code](#), Outside Counsel must pay an administrative fee to the OAG for the review of invoices. The fee is non-refundable and is due each fiscal biennium. Outside Counsel may not charge or seek reimbursement from HHSC for the fee. This administrative fee must be paid in accordance with OAG requirements, prior to the Contract start date. The OAG requirements can be found in the OAG Letter to Agencies and Prospective Outside Counsel (July 31, 2025).

The estimated administrative fee to be paid by Outside Counsel for the Contract is \$1,000. The OAG may withdraw approval of the Contract, rendering it void, if the administrative fee is not paid within thirty (30) calendar days of the date of OAG final approval and return of the [OCC to HHSC](#).

### 2.1.8 Compensation

The required services, as outlined in **Exhibit E, Scope of Work (SOW); Section 2.1.1, Description of Services** and as provided in the Contract, will be compensated on a fair and reasonable fixed, flat-rate fee basis per service type per case. Hourly fees listed in the rate schedule may be considered for a HHSC approved service that is not part of the fixed, flat-rate schedule. In no event will Outside Counsel be compensated using both a fixed, flat-rate and hourly fee for any allowable legal service. Hourly rates must be fair and reasonable for the services provided and, in accordance with OAG. Legal Support Staff. Outside Counsel may not charge for administrative staff, law clerks, or interns. Compensation for all services provided and expenses incurred on a Contract must be invoiced per **Section 2.1.6, Invoice Requirements**.