



**REQUEST FOR OFFER Addendum 2**

RFO #: 2014-01

For:

**California Health Benefit Exchange (Covered California)**

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**Software as a Service (SaaS) Learning Management System (LMS)**

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Date: July 2, 2014

You are invited to review and respond to this Request for Offer (RFO). To submit an offer for these goods and/or services, you must comply with the instructions contained in this document as well as the requirements stated in the State's Scope of Work (SOW), Attachment A and B. By submitting an offer, your firm agrees to the terms and conditions stated in this RFO and your CMAS contract.

Read the attached document carefully. The RFO due date is:

**Friday July 25, 2014 by 3PM (PST).**

Responses to this RFO must be submitted in a single .pdf via electronic mail, clearly labeled to the department contact noted below:

**Department Contact:**

**Kelly Long  
California Health Benefit Exchange  
1601 Exposition Blvd.  
Sacramento, CA 95815  
Email: [hbxsolicitation@covered.ca.gov](mailto:hbxsolicitation@covered.ca.gov)**

# Request for Offer 2014-01

## General Information

### 1. Background and Purpose of the RFO

Soon after the passage of national health care reform through the Patient Protection and Affordable Care Act of 2010 (ACA), California became the first state to enact legislation to establish a qualified health benefit exchange (Chapter 655, Statutes of 2010-Perez and Chapter 659, Statutes of 2010-Alquist). The California state law is referred to as the California Patient Protection and Affordable Care Act (CA-ACA).

Covered California is an independent public entity within California State Government. It is governed by a five-member board appointed by the Governor and Legislature. Four of the members are appointed for four-year terms, two by the Governor, one by the Senate Rules Committee and one by the Speaker of the Assembly. The California Secretary of Health and Human Services is a voting ex-officio member of the Board. The Board elected the California Secretary of Health and Human Services Agency as Chair, signaling its intention to actively coordinate and collaborate with existing state agencies involved in providing health coverage to Californians.

Covered California works in close partnership with:

- Department of Health Care Services, which oversees and administers California's Medicaid Program (Medi-Cal);
- Managed Risk Medical Insurance Board, which oversees and administers California's Children's Health Insurance Program (CHIP) (Healthy Families and Access for Infants and Mothers), and both the state and ACA-funded high risk pools (Major Risk Medical Insurance Program and Pre-Existing Condition Insurance Plan);
- Two agencies that regulate health insurance in California: The Department of Managed Health Care and Department of Insurance;
- The Centers for Medicare and Medicaid Services (CMS). Under CMS, both the Center for Consumer Information and Insurance Oversight, and the Center for Medicaid,
- Other major purchasers of health care, such as California Public Employees Retirement System and large employers (CalPERS); and
- A broad range of stakeholders whose constituencies will be impacted by health care reform.

Effective January 1, 2014, Covered California began offering a state-wide health insurance exchange to make it easier for individuals and small businesses to compare plans and buy health insurance in the private market, following open enrollment that began in fall 2013. Although the focus of Covered California is on individuals and small businesses who qualify for subsidies and tax credits under the ACA, Covered California's goal is to make health insurance available to all qualified individuals and to all California businesses with fewer than 50 employees.

In November 2013, the Covered California University (CCU) was launched to support those who assist consumers in getting covered. In its first year, approximately 40,000 learners (educators, call center staff, county eligibility workers and licensed insurance agents) were trained via instructor-led training or webinars in approximately 20 weeks.

## Request for Offer 2014-01

CCU's instructional design, development and delivery is currently dispersed across multiple vendors, while subject matter experts reside within Covered California. The training developed and delivered to date has been an information push with little to no skill building. Course evaluations and content-based exams were delivered at the end of each session/course. Upon passing the exam, the learner is certified to support consumers with enrollment. Several groups of learners will be recertified annually.

Course content to date has been primarily focused on program policy and systems (CalHEERS, CRM). Some federal guidelines must be adhered to regarding course topics, duration, and participants. Future course details and requirements have not yet been fully defined.

Currently, Covered California is under contract with a Learning Management System (LMS) vendor to utilize its Software as a Service (SaaS) LMS platform. Covered California needs the flexibility to, at any time, be able to accommodate up to 40,000 end users and administrative users. Course delivery must be available 24 hours per day, 7 days per week. The current LMS contains courses, exams, surveys, training documents, job aids all of which are either SCORM 1.2 and/or 2004 compliant.

There are no system integrations required for this solution. Covered California is looking to migrate the content and User information from the current LMS to a new LMS. Covered California expects end users to access the LMS via Personal Computer (PC) and Tablet (not mobile phone at this time). Covered California requires standard security/encryption protocols.

The purpose of this solicitation is to acquire a new SaaS LMS.

### 2. Key Dates

Bidders are advised of the key dates and times shown below and are expected to adhere these dates. All dates and times are Pacific Standard Time.

Event	Date
1. Release of RFO	July 2, 2014
2. Questions to RFO due	July 15, 2014 before noon to e-mail
3. Covered California's Responses to Questions released	July 18, 2014
4. RFO Response Submission due date and time	July 25, 2014 before 3pm
5. Evaluation Demo Viewing	Tentative for August 11, 2014 – August 29, 2014
6. Anticipated Contract Term	October 1, 2014 – December 31, 2015

# Request for Offer 2014-01

## 3. Cost

The total cost on the impending contract shall not exceed \$350,000.00.

## 4. Bidder's Questions

Bidders shall submit any questions regarding this RFO by the due date specified in the Key Action Dates listed in Section 2. Only e-mail inquiries addressed to the contact person listed on the cover will be accepted. Bidders shall provide specific information to enable the state to identify and respond to their questions. When submitting inquiries, please reference the RFO number. At its discretion, Covered California may contact an inquirer to seek clarification of any inquiry received. Bidders that fail to report a known or suspected problem with the RFO or fail to seek clarification and/or correction of the RFO, shall submit a proposal at their own risk.

## 5. Submission of Final Proposals

**Preparation:** Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFO. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFO instructions, responsiveness to the RFO requirements, and completeness and clarity of content.

**Bidder's Cost:** Costs for developing proposals or attending Bidder conferences are entirely the responsibility of the Bidder and shall not be chargeable to Covered California.

**Completion of Proposals:** Proposals must be complete in all respects as described in the requirements established within the RFO. A Final Proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. A Final Proposal must be rejected if any such defect or irregularity constitutes a material deviation from the RFO requirements. The Final Proposal must contain all items required in the RFO.

**False or Misleading Statements:** Proposals which contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of Covered California, such information was intended to mislead Covered California in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFO, it will be the basis for rejection of the proposal.

Issuance of this RFO in no way constitutes a commitment by the State of California to award an agreement. Covered California reserves the right to reject any or all offers received if Covered California determines that it is in Covered California's best interest to do so. Covered California may reject any offer that is conditional or incomplete. Assumptions made by the Bidder in responding to this RFO do not obligate Covered California in any way. Additionally, assumptions may make the offer conditional and be cause for the offer to be rejected. Responses to this RFO will be assessed based on determining the "Best Value" and the selection, if made, will be to a single Bidder. The SOW and the offer will be made a part of the resulting Agreement.

## 6. RFO Response Requirements

This RFO requires Bidder(s) to submit a final phase proposal(s) that shall contain all required Administrative and Technical Attachments and Exhibits and submitted in a sealed

## Request for Offer 2014-01

envelope/container when shipped to Covered California by the dates and times shown in Section 2. Key Dates. The sealed package must be plainly marked with the (1) RFO number and title, (2) firm name and address, and (3) must be marked with "DO NOT OPEN", as shown in the following example:

RFO 2014-01  
Software as a Service (SaaS) Learning Management System (LMS)  
Attention: Kelly Long  
California Health Benefit Exchange  
1601 Exposition Blvd.  
Sacramento, CA 95815  
DO NOT OPEN

Hardcopy proposals shall be on standard 8 ½" x 11" paper. Electronic versions shall be stored in a Covered California-designated central repository and remain the sole property of Covered California.

Bidder shall submit four (4) of sets of copies for all RFO Response Categories in the sealed Envelope/Container. In the bidder's best interest, one (1) set should be titled as being the "Master Copy" and the remaining three (3) as additional copies. Bidder shall also provide a CD-ROM with the RFO Response Categories in searchable text format (e.g., Word, searchable PDF). Each copy shall be titled and unbound including the additional copies.

**Bids not submitted under sealed cover will be rejected.**

### 7. Rejection of Proposals

Deviations, whether or not intentional, may cause a proposal to be non-responsive and not considered for award. Covered California may reject any or all proposals and may waive any immaterial deviation or defect in a proposal. Covered California's waiver of any immaterial deviation or defect shall in no way modify the RFO documents or excuse the Bidder from full compliance with the RFO specifications if awarded a contract. **FINAL PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED IN SECTION 2. KEY ACTION DATES OR NOT SEALED, WILL BE REJECTED.**

### 8. Errors in Final Proposals

An error in the Final Proposal may cause the rejection of that proposal; however, Covered California may, **AT ITS SOLE OPTION**, retain the proposal and make certain corrections. In determining if a correction will be made, Covered California will consider the conformance of the proposal to the format and content required by the RFO, and any unusual complexity of the format and content required by the RFO.

1. If the Bidder's intent, as determined by Covered California, is clearly established based on review of the complete Final Proposal submittal, Covered California may at its sole option correct an error based on that established intent.
2. Covered California may at its sole option correct obvious clerical errors.

## Request for Offer 2014-01

3. Covered California may at its sole option correct discrepancy/errors on the basis that if intent is not clearly established by the complete Final Proposal submittal, the Master Copy shall have priority over additional copies.
4. A bidder may modify a bid after submission by withdrawing its original bid and resubmitting a new bid prior to the bid submission deadline. Bidder modifications offered in any other manner, oral or written, will not be considered.
5. A bidder may withdraw its bid by submitting a written withdrawal request to Covered California, signed by the bidder or an authorized agent. A bidder may thereafter submit a new bid prior to the bid submission deadline. Bids may not be withdrawn without cause subsequent to bid submission deadline.
6. Covered California may modify the RFO prior to the date fixed for submission of bids by the issuance of an addendum to all parties.
7. Covered California reserves the right to reject any/all bids. Covered California is not required to award an agreement.
8. Before submitting a response to this solicitation, bidders should review, correct all errors, and confirm compliance with the RFO requirements.
9. All proposals must be based on the Model Contract provided with this solicitation (Scope of work provided in Section 3, and contract General Terms and Conditions provided in Attachment 2). Proposing vendors must submit as part of their response any exceptions to the Model Contract that they wish to negotiate. Vendor exceptions must be documented in an attachment labeled "Proposal Contract Exceptions." All Model Contract exceptions must be included in the Vendor Proposal at the time of its submission. No additional exceptions may be presented during contract negotiations.
10. No oral understanding or agreement shall be binding on either party.

### **9. Disposition of Bids**

Upon bid opening, all documents submitted in response to this RFO will become the property of the State of California, and subject to Government Code 100508, at Covered California's sole discretion, may be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

### **10. Agreement Execution and Performance**

Performance shall start no later than the express date set forth in the RFO by Covered California after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon date and time, Covered California, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to Covered California for the difference between Contractor's bid price and the actual cost of performing work by the second lowest bidder or by another contractor.

All performance under the agreement shall be completed on or before the termination date of the agency contract agreement.

# Request for Offer 2014-01

## 11. Subsequent Solicitation

At the Covered California's sole discretion, after the contract award has been made and the agreement has been executed, if the agreement is terminated with or without cause after performance has begun, Covered California may engage the next-highest-ranked bidder without performing a subsequent solicitation.

## 12. Addition or Subtraction of Services

Notwithstanding that bids have been submitted, at Covered California's sole discretion, the scope of work may be modified to add or remove services through an addendum. If bids have been submitted at the time Covered California posts the addendum, Covered California may restrict responses to the addendum so that only those entities that have submitted bids in response to the initial solicitation may respond to the addendum with the modified services.

## 13. Proprietary Information

Any documentation submitted which has been marked "Confidential" or "Proprietary" may not be accepted. All documents submitted in response to this RFP will become the property of the State of California. Government Code Section 100508(a)(1) exempts from disclosure under the Public Records Act all deliberative processes, communications, or portions of negotiations with entities contracting or seeking to contract with Covered California and entities with which Covered California is considering a contract. Included within the exemption are score sheets and proposals submitted by Vendors for purposes of competing for a contract. Covered California may, at its discretion, waive this exemption.

## 14. RFO Response Categories

All final proposals must include the following:

- a. Minimum Qualifications – Complete the Respondent Workbook Attachment.
- b. Cost – Complete Attachment B.
- c. References – Complete Attachment C.
- d. Ease of Administration – Include a description of your ease of administration solution to the scope of work. This narrative should be no more than two (2) pages maximum.
- e. End User Ease of Use – Include a description of the end user ease of use for your solution. This narrative should be no more than two (2) pages maximum.
- f. Project Approach & Management – Include a description of your project management as it relates to the scope of work. This narrative should be no more than two (2) pages maximum.

# Request for Offer 2014-01

## 15. Contract Award & Evaluation Criteria & Process

Award of a contract resulting from this RFO will be based on the response that is most highly rated after applying the weighted evaluation criteria described below. If two or more of the highest rated responses are evaluated as substantially equal after applying the weighted evaluation criteria described above, then the lowest cost response from among the substantially equal responses shall be recommended for selection.

Evidence of extensive previous experience in similar complex, short deadline efforts will receive significant consideration in the evaluation process, as will demonstrated experience related to the Scope of Work. The table below lists the evaluation categories and the weights each will carry in the overall evaluation of each offer:

<b>Criteria</b>	<b>Weight</b>	<b>Total Points</b>
Minimum Qualifications	N/A	Pass/Fail
Cost	30%	30
Ease of Administration	20%	20
End User Ease of Use	20%	20
Project Approach & Management	20%	20
Demonstrations	5%	5
Interviews	5%	5
<b>Totals</b>		<b>100</b>

<b>Preference Programs if applicable</b>	<b>Points</b>
Small Business	1.5
DVBE Participation 5% or Over	1.5
DVBE Participation 4% to 4.99% inclusive	1.2
DVBE Participation 3% to 3.99% inclusive	0.9
DVBE Participation 2% to 2.99% inclusive	0.6
DVBE Participation 1% to 1.99% inclusive	0.3

Covered California Evaluation Team will evaluate Bidder proposals across three areas of requirements using the Evaluation Model:

- A. Phase I – Minimum Qualifications - Scoring of this factor (pass/fail) shall be based upon the information provided by the bidder in Attachment Respondent Workbook.

### References

- The proposal must include two (2) references from different customers – Attachment C.

### Software Experience

- Software vendor has been in the business of providing learning management software for a minimum of five years.
- Software vendor is not in the process of or seeking to be acquired.
- Major version of software (e.g. 5.XX) being proposed has been in production for a minimum of one year.



## Request for Offer 2014-01

### Project Manager Experience

- Proposed project manager has managed at least two implementation projects of similar scope and complexity within the last three years.
- Proposed project manager has managed at least one implementation project that involved the proposed software major version (e.g. 5.XX) within the last year.

- B. Phase II – Written Response Evaluation – The Evaluation Team will review written responses to the RFO.

Ease of Administration: Covered California seeks a solution that will be easy to administer, use and support post-implementation. Covered California is looking to gain overall efficiencies and contract with a solution that will not be resource intensive or require significant or repeat training. Evaluators will assign scores based upon the bidder's Ease of Administration narrative.

End User Ease of Use: Covered California seeks a solution that will provide an intuitive, simple and easy to use solution. The end user population swings from those with low computer skills to daily users. Evaluators will assign scores based upon the bidder's End User Ease of Use narrative.

Project Approach & Management: Covered California seeks a team of qualified staff to provide project management to support the services included in the Scope of Work (either LMS or Training or both). The following describes the evaluation and scoring of Project Management:

- Demonstrated proven project methodology and relevant lessons learned and best practices
- Capacity to successfully resource the project for its duration with little or no resource swapping
- Demonstrated resource capabilities to successfully assume responsibility for the entirety of the project engagement

- C. Phase III – View Demo/Interview Evaluation – Demos and interviews will be conducted with up to five (5) of the highest rated bidders. The exact number of bidders interviewed is entirely at the discretion of Covered California. The specific staff to be interviewed will be agreed upon between Covered California and the bidder at the time the interview is scheduled. Demos will follow the Use Case scripts provided in the RFO Respondent Workbook (functional requirements).

## Request for Offer 2014-01

D. Evaluation Model - The evaluation team will assign a score for each P requirement per the guidelines below:

Rating	Relation to Requirements	Strengths	Deficiencies	Weaknesses	Likelihood of Success	Score
Excellent	Superior attainment of all requirements	Numerous and significant in key areas	None	Minor, if any	Very High	1
Good	Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	0.75
Acceptable	Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	0.50
Marginal	May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses or deficiencies	Significant	Significant	Poor	0.25
Unacceptable	Not likely to meet all requirements	None, or some that are far outweighed by weaknesses or deficiencies	Needs major revision	Needs major revision	None	0

### Cost (30 points)

Each bidders cost score will be calculated based on the ratio of the lowest cost proposal to the bidders cost, multiplied by the maximum number of cost points available, as shown in the calculation below:

$$\frac{\text{Lowest Total Cost Bid}}{\text{Bidder Total Cost}} \times \text{Total cost points available}$$

Example: To help illustrate this process, refer to table below, for an example of the cost score calculation process. **Cost figures in the example below explain the calculations and have no other significance.**

### *Cost Evaluation and Scoring Methodology Example*

Bidder	Grand Total Cost	Calculation	Cost Points Awarded
A	\$275,000	$\frac{\$275,000}{\$275,000} \times 30$	30
B	\$350,000	$\frac{\$275,000}{\$350,000} \times 30$	23.70
C	\$300,000	$\frac{\$275,000}{\$300,000} \times 30$	27.60

# Request for Offer 2014-01

## ATTACHMENT A – SCOPE OF WORK

### 1. Scope and Description

Covered California is seeking to acquire Software as a Service (SaaS) Learning Management System (LMS). The scope of services shall consist of:

- Planning, managing and implementing the LMS.
- The software or additional software programs, data files, enhancements, configuration, systems or control software, and utilities as well as hosting services, software training, maintenance, technical support, documentation, and any other directly-related professional services.
- Training Covered California admin support staff in the use and operation of the LMS.

### 2. Contractor Tasks and Responsibilities

The Contractor will provide Covered California with Software as a Service (SaaS) Learning Management System (LMS) that meets the functional use cases and technical requirements provided in the attached Respondent Workbook.

The Contractor must provide, at a minimum, the following:

1. SaaS LMS COTS
2. LMS COTS that meets 100% of the functionality describe in the Functional Use Cases
3. LMS COTS that meets 100% of the technical and security requirements
4. Performing stakeholder analysis to inform the configuration of the LMS
5. Provide onsite training for Covered California team members who will be performing administrative or help desk functions
6. Provide ongoing technical support via a helpdesk call in support

### 3. Functional Requirements – Use Cases by Role

The Contractor will complete the Functional\_Use Case by Role tab in the Respondent Workbook (.xls).

### 4. Technical & Security Requirements

The Contractor will complete the Technical\_Reqmts tab in the Respondent Workbook (.xls).

# Request for Offer 2014-01

## ATTACHMENT B – COST WORKSHEET

### Section I – One Time and Recurring Costs

You must complete either section A or section B below. If your firm offers both options, then you may complete both sections and the Covered California shall select the option at the time of contract award.

- A)** Provide a fixed price per employee that takes online training based on an estimate of 40,000 employees for the term of the contract.

\$ \_\_\_\_\_ per trainee.

**B)**

DESCRIPTION	PROPOSED COST
1. Proposed Software	
Initial Year Cost:	/Year
Option Year One Cost:	/Year
Option Year Two Cost:	/Year
Option Year Three Cost:	/Year
Option Year Four Cost:	/Year
Option Year Five Cost:	/Year
2. Installation/Implementation	
3. Project Management	
4. Training (including all materials)	
5. Travel Expenses (see Section II below)	
6. Other Costs (see Section III below)	
7. Applicable Sales Tax	
<b>8. Total One Time Cost</b>	

## Request for Offer 2014-01

### ATTACHMENT B – COST WORKSHEET (CONTINUED)

#### Section II – Other Costs

Please itemize all other costs, including, but not limited to: enhancement at an additional cost, proposed modules, third party software to operate the proposed software, etc. Use an attachment, if necessary. Be sure to state the total cost in Row 6 in the above table.

Description	Cost
1.	\$
2.	\$
3.	\$
4.	\$

#### Section III – Other Value Added Services:

Please itemize other value added services cost below.

Description	Cost
1.	\$
2.	\$
3.	\$

#### Section IV – Payment Terms/Discounts

State your proposed payment term / discount (e.g. Net 20 / 5%): \_\_\_\_\_

Proposer's Organization Name:

\_\_\_\_\_

# Request for Offer 2014-01

## ATTACHMENT C – PREVIOUS CUSTOMER REFERENCE FORM

Submit three references that can substantiate customer accounts where the vendor has provided a solution, professional services, and support similar to the requirements of this proposal. Please submit these references using this form. Only one copy of the form is provided in the RFO package. Vendors are required to copy the form as required to meet the reference submission requirements. Please use additional pages if required.

**Vendor Company Name:**

**Company Name of Reference/Customer:**

**Reference/Customer Address:**

**Number of Employees:**

**Number of System Users:**

**Dates work was performed:** \_\_\_\_\_ to \_\_\_\_\_

**Value of Contract: \$:** \_\_\_\_\_

**Customer Contact Name:** \_\_\_\_\_ **Customer Contact Title:** \_\_\_\_\_

**Customer Contact E-mail:** \_\_\_\_\_ **Contact Phone Number:** \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

**Name of the LMS implemented:** \_\_\_\_\_

**Please provide a thorough description of the project:**