



ADDENDUM 1

Request for Proposal RFP 2017-24: Covered California for Small Business General Agents

June 28, 2018

Revisions to the RFP are indicated by redlining of sections 2.2.1, 2.2.2, 4.3.1, 4.3.4.2, and 5.3.

In separate documents, revisions to Attachment 3, Form 700 Statement of Economic Interest Certification, and page 1 of Exhibit C, General Terms and Conditions, are indicated by redlining.

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1. INTRODUCTION

1.1 Overview

You are invited to review and respond to this Request for Proposal (RFP). By submitting a proposal, your organization agrees to the terms and conditions stated in this RFP.

This is a deliverables-based contract for Covered California for Small Business (CCSB) General Agent Services only.

Read this document and any attachments in their entirety and carefully, as they may contain binding provisions that affect your rights and obligations. You must comply with the instructions contained in this document. Responses to this RFP must be submitted to the Covered California contact noted in Section 1.3 below.

1.2 Key Action Dates

Bidders are advised of the key dates and times shown below and are required to adhere to them. All times noted in this document are Pacific Time (PT).

KEY ACTION DATES

Request for Proposal Release Date:	June 6, 2018
Questions Due Date:	June 22, 2018 by 3:00 PM PST
Response to Questions Due Date:	June 28, 2018
Proposals Due Date:	July 11, 2018 by 3:00 PM PST
Interviews as needed:	July 16 – July 20, 2018
Notice of Intent to Award	Week of July 30 – August 3, 2018
Estimated Term Dates:	September 1, 2018 through December 31, 2019

1.3 Contact

For questions regarding this Request for Proposal (RFP), please:

E-mail address: HBEXSolicitation@covered.ca.gov
(For all communications, subject line must include: RFP 2017-24)

Covered California
Business Services Branch/JoAnne French
1601 Exposition Blvd.
Sacramento, CA 95815

Phone calls will not be accepted.

1.4 Contract Amount

The compensation for this agreement will be commission based and determined during negotiations. Covered California will consider all responses to this agreement regardless of cost.

1.5 Contract Term

The Term of this Agreement shall be for one year and four months and renewable by mutual consent of the parties annually thereafter.

The resulting contract will be of no force or effect until signed by both parties. Performance shall not commence until a valid contract has been executed between the successful Bidder and Covered California. Covered California will not pay for any services performed prior to the execution of a valid contract.

1.6 Contract Extension

At least sixty (60) days prior to the end of each one-year term, the parties shall convene to discuss areas of compensation, Service Level Agreements (SLA's) and Agreement term as potential changes to the renewed agreement. This 60-day period shall be known as the Renewal Period. During the Renewal Period, the parties may agree to extend the term of the contract for longer than one year, but may not exceed a five-year extension. The parties may also incorporate additional tasks into a renewed agreement so long as any new tasks directly relate to the Scope of Work as set forth in Section 3 of this RFP. If this Agreement is not renewed before the end of a term, the Exchange's payment obligations as outlined in Exhibit B shall discontinue upon the termination of this Agreement.

1.7 Bidders' Questions

Bidders must submit any questions regarding this RFP by the due date and time specified in the Key Action Dates table in Section 1.2. Only email questions addressed to the contact person listed in Section 1.3 will be accepted. Bidders must provide sufficient specific information to enable Covered California to identify and respond to their questions. When submitting questions, please reference RFP 2017-24.

Responses to questions received during the Bidder Question time period shall be posted on the website at <http://hbex.coveredca.com/solicitations/>. Bidders who fail to report a known or suspected problem with the RFP or who fail to seek clarification or correction of the RFP do so at their own risk.

In its sole discretion, Covered California may contact a Bidder to seek clarification or additional information regarding any question received.

1.8 Submission of Final Proposal

1. Bidders' Cost: Costs for developing proposals and attending Bidder Conferences are entirely and solely the responsibility of the Bidder and are not chargeable to Covered California.
2. Completion of Proposals: Bidders are required to be both responsive (fully compliant) and responsible (capable and qualified to perform work) relative to solicitation requirements. Proposals must be complete in all respects and contain all required items as described in the requirements established within this RFP, its attachments, and any written responses to questions or amendments posted by Covered California on its website. A Final Proposal may be rejected by Covered California, in its sole discretion, 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 by Covered California if any defect or irregularity constitutes a material deviation from the RFP requirements as determined by Covered California, in its sole discretion.
3. 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, or was included in Covered California's sole opinion as a result of gross negligence attributable to the bidder, and the attribute, condition or capability is a requirement of this RFP, it shall be grounds for rejection of the proposal.
4. Errors: If a Bidder discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, the Bidder shall immediately notify Covered California of such error by email to the contact in Section 1.3 and request modification or clarification of the RFP. Modifications or clarifications will be given by written notice posted on the website at <http://hbex.coveredca.com/solicitations/> without divulging the source of the request for modification or clarification. Covered California shall not be responsible for failure to correct errors or any Bidder's failure to regularly and timely check the website for changes.
5. Importance of Meeting Deadlines: Bidders are responsible and assume all risks for the delivery and receipt by Covered California of all submissions prior to the submission deadline. If a Bidder mails or otherwise ships the submission via a generally recognized approved transportation entity such as the U.S. Postal Service, Federal Express, United Parcel Service, etc. and provides Covered California with the entity's package tracking information and the tracking information indicates its delivery at Covered California by the submission deadline, the package will be considered to have arrived on time. U.S. Postal Service postmarks or other indicia of

mailing of shipment, however, will not be accepted as proof of timely delivery. Faxed or electronic submissions will not be accepted. The stated deadlines for submitting and receipt of all materials to Covered California will be strictly enforced. Submissions that are incomplete or received after the stated deadline may not be accepted.

6. Assessment of Proposals: All proposals will be assessed based on determining the “Best Value” in the sole opinion of Covered California and the selection, if made, will be made to a single Bidder. The Scope of Work (SOW), bidder’s proposal, and bid may, in Covered California’s sole discretion, be made a part of the resulting Contract.

1.9 Format of Proposals

This RFP requires Bidders to submit a Final Proposal that contains all required Administrative and Technical Attachments and Exhibits, and that is submitted in a sealed envelope or container when delivered to Covered California. The sealed package must be plainly and clearly marked on its face with: (1) the RFP number and title; (2) the Bidder’s name and address; and (3) the words “DO NOT OPEN,” as shown in the following example:

**RFP 2017-24: Covered California for Small Business General Agents
Attention: JoAnne French
Covered California
Business Services Branch
1601 Exposition Boulevard
Sacramento, CA 95815
DO NOT OPEN**

Bids not submitted under sealed cover may be rejected in the sole discretion of Covered California.

1. Copies Required

Provide one hardcopy marked “MASTER,” five (5) additional hard copies marked “COPIES” and one CD Rom. All copies requested must be identical to the MASTER including the CD Rom. Each copy of the proposal must be complete, including all required attachments and documentations.

The digital copy, including all attachments and exhibits, must be provided in searchable text format (e.g., Microsoft™ Word®, searchable Adobe® PDF) and free of any password or encryption protection.

2. Narrative Format

- a. Narrative portions of proposal responses should be prepared so as to provide a straightforward, concise delineation of the Bidder’s capabilities

to satisfy the requirements of this RFP. Emphasis should be on conformance with the RFP instructions, responsiveness to the RFP requirements and completeness and clarity of content. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired.

- b. Bidders must follow the format requirements listed below for all narrative portions of the RFP. Failure to do so may result in an entire proposal or affected section not being read or evaluated, at Covered California's sole discretion.
 - 1) Use a Times New Roman, Arial, or Calibri font of at least 12-point size throughout. Exception: if a form is required by Covered California that contains a smaller font.
 - 2) Print all pages single-sided on letter size (8.5 by 11 inches) white paper with single line spacing, unless otherwise noted.
 - 3) Use one-inch margins at the top, bottom and sides.
 - 4) Sequentially number the pages in each section and clearly identify each section in the order requested. When a page limit is noted, pages exceeding the limit will not be reviewed or scored. It is not necessary to paginate the required forms.
 - 5) Place the Bidder's name in a header or footer on every page. If the Bidder's name is not already entered elsewhere on a completed certification or form, add it to a header, footer or signature block.
 - 6) Have a person who is authorized to bind the proposing entity sign each RFP attachment that requires a signature in **blue** ink. Signature stamps are not acceptable.
 - 7) Place the original signed attachments in the set marked "MASTER." Additional copies may have photocopied signatures on attachments and throughout the document.
3. All proposals must be based on and conform to the Model Contract provided with this solicitation as described in Exhibit A – Scope of Work, and the contract General Terms and Conditions provided in Exhibit C. Bidders should review the Model Contract in its entirety prior to submitting a proposal. Bidders must submit as part of their response any changes or exceptions to the Model Contract that they wish to negotiate. However, extensive or significant exceptions to the Model Contract may make the proposal non-responsive to the RFP if Covered California, in its sole discretion, determines that the proposed exceptions materially change the contractual relationship between the parties. Bidder proposed changes or

exceptions must be documented via tracked changes to the documents contained in the Model Contract. All Model Contract changes or exceptions must be included in the Bidder Proposal at the time of submission. No additional exceptions may be presented during contract negotiations. Covered California reserves the right to reject all exceptions in the Bidder Proposal.

1.10 Covered California Rights

1. Verification of Bidder Information

By submitting a proposal, Bidders authorize Covered California to:

- a. Verify any and all claims made by the Bidder including, but not limited to, verification of prior experience and possession of all other required qualifications.
 - b. Check any and all references identified by Bidder, or any other resource known or identified by Covered California, to confirm the Bidder's business integrity and history of providing effective, efficient, competent and timely services.
2. Covered California may, in its sole discretion, modify the RFP prior to the bid submission deadline by the issuance of an addendum on the website listed at <http://hbex.coveredca.com/solicitations/>.
 3. Covered California reserves the right to reject any bid that does not satisfy the requirements set forth in the RFP. Before submitting a response to this RFP, Bidders should review, correct all errors, and confirm compliance with all of the RFP's requirements.

1.11 Rejection of Proposals

Deviations may cause a proposal to be deemed non-responsive and not to be considered for award. Covered California may reject any or all proposals and/or 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 RFP documents or requirements and shall not excuse the Bidder from full compliance with the RFP specifications if awarded a contract.

FINAL PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED IN SECTION 1.2 KEY ACTION DATES OR THAT ARE NOT SEALED, will remain unopened and, if delivery is accepted, will be maintained separately from proposals that have been timely received. Proposals received after expiration of the deadline may only be opened and considered upon written approval of Covered California's Executive Director or his/her designee

specifying the reason(s) for acceptance and consideration of the untimely proposal.

Issuance of this RFP in no way constitutes a commitment by Covered California to award a contract. Covered California reserves the right to reject any or all proposals, or portions of proposals, received in response to this RFP, or to amend or cancel this RFP at any time. In the event of such cancellation, Covered California may reissue the RFP at a later date.

Covered California reserves the right to consider contractor's past performance with Covered California in its selection of a Bidder pursuant to this RFP.

1. Non-Responsive Proposals

A proposal may be deemed non-responsive and subsequently rejected if any of the following occur:

- a. A submission is received after the exact time and date set forth in Section 1.2 Key Action Dates for receipt of each submission.
- b. The Bidder fails to meet any of the eligibility requirements specified in Section 2, Project Team Qualifications.
- c. The Bidder fails to submit or fails to complete and sign any required Attachments as instructed in this RFP.
- d. The submission contains false, inaccurate or misleading statements or references.
- e. The Bidder is unwilling or unable to fully comply with the proposed contract provisions.
- f. The Bidder supplies conditional cost information, incomplete cost information, or cost information containing unsigned/uninitiated alterations or irregularities.

2. Business In Good Standing

Bidder acknowledges that when agreements are to be performed in the State of California by corporations or vendors, Covered California will verify, prior to awarding any State contract, the following information in order to ensure that all obligations due to the State are fulfilled:

Corporation in Good Standing

Covered California will verify with the California Secretary of State (SOS) that the Bidder is a corporation currently qualified to do business in California. The bid will be considered non-responsive if the Bidder is not listed with SOS.

“Doing business” is defined in California Revenue and Taxation Code section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the State not be subject to the franchise tax.

Both domestic and foreign (those incorporated outside of California) corporations must be in good standing in order to be qualified to do business in California.

State Tax Delinquency

Covered California will verify with the California Franchise Tax Board (FTB) and Board of Equalization (BOE) that the Bidder is not on a prohibited list due to tax delinquencies. The bid will be considered non-responsive if the Bidder is on any of these lists.

The list established by FTB can be found at:

https://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml

The list established by BOE can be found at:

<http://www.boe.ca.gov/cgi-bin/deliq.cgi>

1.12 Errors in Final Proposals

An error in the Final Proposal may cause the rejection of that proposal; however, Covered California may, in its sole discretion, 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 RFP, and any unusual complexity of the format and content required by the RFP.

1. If the Bidder's intent, as determined by Covered California, is clearly established based on its review of the complete Final Proposal submittal, Covered California may in its sole discretion, correct an error based on that established intent.
2. Covered California may, in its sole discretion, correct obvious clerical errors.
3. A Bidder may modify a bid after submission by withdrawing its original bid and resubmitting a new bid if it is received prior to the bid submission

deadline. Bidder modifications offered in any other manner, oral or written, will not be considered.

4. A Bidder may withdraw its bid by submitting a written withdrawal request to Covered California, signed by the Bidder or an authorized agent. Bids may not be withdrawn subsequent to the bid submission deadline without cause.
5. No oral understanding or contract shall be binding on either party.

Covered California reserves the right to contact any Bidder at any stage of the proposal process to collect additional clarifying information, if deemed necessary and appropriate by Covered California.

1.13 Protest

For formal competitive solicitations, any protest properly submitted within five (five) working days of the posting of the Notice of Intent to Award will be considered. All protests will be reviewed and decided by the Executive Director or his/her designee.

The following protest procedures shall be followed and apply to all formal competitive solicitations:

General

An unsuccessful bidder may protest the proposed award to another bidder by following the terms and conditions outlined below. The protestant challenging Covered California's proposed award bears the burden of proof.

Grounds

Protestant must cite the specific grounds for the protest and provide all facts and citations of law sufficient to support the protest and enable the Executive Director or his/her designee to make an informed, proper decision. Covered California will determine, in its sole discretion, if the protestant has demonstrated sufficient grounds to allow the protest to be heard. Abuse of the protest process by unsuccessful bidders for the purpose of securing confidential information about other bidders will be rejected by Covered California. The sole grounds for a protest are:

1. Protestant reasonably believes that Covered California has acted in an arbitrary and capricious manner; and/or
2. Protestant reasonably believes that Covered California committed an error in the bid process as stated in the solicitation that is sufficiently material to justify invalidation of the proposed award.

There shall be no basis for protest if Covered California rejects all bids or proposals.

Requirements for Protest

Protests must be submitted in writing, signed by an individual who is authorized to contractually bind the Bidder, and include all grounds and supporting facts and evidence upon which the protest is based, as well as all citations of law, rule, regulation or procedure upon which the protestant relies. Protests must be delivered to Covered California at the address indicated below by certified or registered mail or in person, in which case the protestant should obtain a delivery receipt. Protests must be received by Covered California no later than the close of business five days after the Notice of Intent to Award has been posted.

Protests must be mailed or delivered to:

Mailing Address:
Covered California
Attn: Peter Lee, Executive Director
1601 Exposition Blvd.
Sacramento, CA 95815

The Executive Director's or his/her designee's decision shall be final.

Terms of Protest

Scoring documents, evaluation and selection documents, other bidders' submissions or any other record created during the review of bids submitted in response to the RFP are not public records and are exempt from disclosure as public records pursuant to Government Code section 100508(a).

A protestant who has demonstrated a legitimate ground for protest as described above may be provided limited access to certain relevant, non-public information regarding the RFP and Covered California's consideration of submissions in response to the RFP upon the protestant's execution of a Non-Disclosure Agreement provided by Covered California and the approval of Covered California's General Counsel or his/her designee. Trade secret, proprietary and confidential information will be redacted from any documents disclosed to protestant as part of the protest process.

1.14 Disposition of Bids

Upon bid opening, all documents submitted in response to the RFP become the property of the State of California.

1.15 Contract Execution and Performance

Performance shall begin no later than the date set forth in the RFP by Covered California and after the contract is fully executed, unless a later date is mutually agreed upon by Covered California and the Contractor. Notwithstanding any other provision, should the Contractor fail to commence work on the agreed date and time, Covered California, upon five (5) days written notice to the Contractor, reserves the right to terminate the contract. In such an event, the Contractor shall be liable to Covered California for the difference between the Contractor's bid price and, if greater, the actual cost of performing the work by a replacement contractor.

All performance under the contract shall be completed before the termination date of the contract, unless an earlier date is specified in the contract.

1.16 Subsequent Solicitation

If at any time during negotiation of an agreement with the successful Bidder, Covered California determines it is not able to reach an agreement with the successful Bidder, Covered California may, in its sole discretion, terminate the negotiations and engage the next-highest-ranked bid without performing a subsequent solicitation.

1.17 Addition or Subtraction of Services

Notwithstanding that bids have been submitted, at Covered California's sole discretion, the SOW may be modified prior to contract award to add or remove services through an addendum. If the date and time for submission of Final Proposals has passed as of the time the addendum is posted, and bids have been received, Covered California, in its sole discretion, may restrict responses to the modified SOW so that only entities that submitted timely bids in response to the initial RFP may respond to the addendum.

1.18 News Releases and Social Media

By submitting a Final Proposal, Bidders and the selected Contractor agree that they will not issue news releases nor make statements to the news media or through social media channels pertaining to this RFP, their proposals, the contract, or work resulting therefrom, without first obtaining prior approval from Covered California.

2 PROJECT TEAM

Covered California seeks a team with experience and knowledge of the process outlined in this RFP and the Model Contract Exhibit A – Scope of Work. Bidder must demonstrate that project team members assigned to the

project possess the experience, education, knowledge and skills required to perform the work described in this RFP.

2.1 Project Team Minimum Qualifications

The individual or entity identified in this Statement of Work must have the following skills:

1. Bidders must be appropriately licensed in California to conduct services described below, including having active license(s) issued by the California Department of Insurance (CDI).
2. Bidders must be established general agents currently doing business in the California small group market as defined under ACA rules, with a majority of their business revenue derived from group health insurance coverage.
3. Bidders must demonstrate sufficient scope and staffing to support sales distribution for either a geographic region or statewide. Regional bids should clearly define the geographic area served.

Consortium or collaborative bids are allowed. Covered California will consider bids from multiple general agents (e.g. smaller regional general agents) forming a statewide consortium or collaboration. Such bids should identify a primary bidder and consider their ability to form a single legal entity which allows Covered California to contract with and compensate a single entity.

2.2 Reassignment of Personnel

- ~~1. The Contractor shall not reassign nor substitute personnel assigned to the contract during the contract term without prior written approval of Covered California. If a Contractor employee is unable to perform duties due to illness, resignation, or other factors beyond the Contractor's control, the Contractor shall make every reasonable effort to provide suitable substitute personnel.~~
- ~~2. Substitute personnel shall not automatically receive the hourly rate of the individual or position being replaced. Covered California and the Contractor shall negotiate the hourly rate of any substitute personnel to the contract. The hourly rate negotiated shall be dependent, in part, on the experience and individual skills of the proposed substitute personnel; however, the negotiated rate shall not exceed the hourly rate stated in the contract.~~
- 3.1. Covered California reserves the right to require a Contractor employee to be removed from performing any work on the contract and on written notice to the Contractor, the Contractor shall assign an acceptable substitute employee.

3. SCOPE OF WORK

3.1 Background

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. The California state law is referred to as the California Patient Protection and Affordable Care Act (CA-ACA).

The goals and objectives of Covered California are to:

- Reduce the number of uninsured Californians by creating an organized, transparent marketplace for Californians to purchase affordable, quality health care coverage to claim available federal tax credits and cost-sharing subsidies, and to meet the personal responsibility requirements imposed under the federal act (ACA);
- Strengthen the health care delivery system;
- Serve as an active purchaser, including creating competitive processes to select participating carriers and other contractors;
- Require that health care service plans and health insurers issue coverage in the individual and small employer markets and compete on the basis of price, quality, and service (and not on risk selection); and
- Meet federal and state law requirements, guidance and regulations.

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.

Covered California works in close partnership with:

- The Department of Health Care Services, which oversees and administers California's Medicaid Program (Medi-Cal) and other specifically-focused health programs;
- The two agencies that regulate health insurance in California, the Department of Managed Health Care and the Department of Insurance; and
- A broad range of stakeholders whose constituencies may be impacted by health care reform.

For additional information on Covered California, please refer to the consumer website at: www.CoveredCA.com.

3.2 Purpose

The purpose of this RFP is to:

Find qualified Health Insurance General Agents who are interested in providing General Agent services to the Covered California Division of Covered California for Small Business. Covered California intends to contract with selected General Agents to provide the services described in Section 3.3 of this Scope of Work. Interested parties are invited to review and respond to this RFP.

Both health plan issuers and agents recognize that General Agents currently play a significant role in the small group market. Most issuers have contractual relationships with General Agents, which aggregate benefit and rate information for multiple issuers and products and provide enrollment and sales support for the broad agent community. When agents work with a General Agent, agent compensation is paid by the health plan issuers or their representatives. General Agents are usually compensated by the health plan issuers they represent, most often based on a percentage of premium or override commission. General agents may also provide small employer benefit administration services, other value-added products and services to support agents and their small business clients. General Agents provide a convenient broad-market perspective to independent agents that might otherwise have to request proposals from several issuers and manually compile the data into a proposal. In addition to the aggregated proposal, General Agents provide agents with the product and sales training, online tools and resources needed to achieve their sales goals. Many General Agents also employ enrollment staff located throughout the state to help facilitate employer open-enrollment meetings, often in Spanish or other languages. Once enrolled, the General Agents prepare (or “scrub”) the applications for processing ensuring all required documents and signatures are provided to allow for expedient approval by the issuers. The General Agent may also provide post-sales and renewal support on behalf of the insurance agent of record.

Covered California recognizes that General Agents may be of considerable assistance in achieving its goals. As such, this RFP seeks input from General Agents on their level of interest in assisting Covered California in implementing the Covered California for Small Business program, and input into the General Agent working relationship Covered California desires to create.

Read this document carefully. Responses to this RFP must be submitted to Covered California contact noted in Section 1.3.

3.3 Scope of Work

See attachment Model Contract Exhibit A – Scope of Work, for a detailed description of the services and work to be performed by the successful Bidder.

3.4 Contract Completion Criteria

The contract resulting from this RFP will be considered complete when Covered California has approved and accepted all assigned contract deliverables.

3.5 Deliverable Acceptance Criteria

All concluded work must be submitted to Covered California for review and approval or rejection. Payment for all tasks performed under this RFP will be based on deliverables. It will be Covered California's sole determination as to whether any tasks have been successfully completed and are acceptable.

Throughout the contract term, Covered California will review and validate the services performed. In addition, the Covered California Representative will verify and approve the Contractor's invoices. Covered California reserves the right to review payments to designated subcontractors to ensure compliance with applicable contractual and legal requirements. Signed acceptance is required from the Covered California Representative prior to approval of an invoice for payment.

Deliverable acceptance criteria consist of the following:

1. Deliverable-specific work was completed as specified and the final deliverable product or service was rendered.
2. Plans, schedules, designs, documentation, digital files, photographs and reports (deliverables) were completed as specified and approved.
3. All deliverable documentation and artifact gathering have been completed.
4. All deliverables are in a format useful to Covered California.
5. If a deliverable is not accepted, Covered California will provide the reason, in writing, within ten (10) business days of receipt of the deliverable. If the deliverable is of such complexity that additional time is required, Covered California will so notify the Contractor within the ten (10) business day period and include an estimated date by which Contractor can expect a response.

3.6 Contractor's Roles and Responsibilities

The Contractor shall:

1. Designate a person to whom all project communications may be addressed and who has the authority to act on all aspects of the contract. This person shall be responsible for the overall project and the contact for all invoicing and Contractor staffing issues.
2. Provide written reports for review and approval by Covered California, and formally respond to Covered California review findings as necessary.
3. Meet as required with Covered California staff to discuss progress.
4. Make its best efforts to maintain staff continuity throughout the life of the project. If a substitution becomes necessary, the Contractor shall submit resumes for Covered California's review, in advance, for all proposed personnel substitutions. All Contractor personnel substitutions must be approved in writing by the Covered California Representative. Failure to obtain the required approvals or acceptable substitute staff may, in Covered California's sole discretion, result in termination of the contract.

3.7 Covered California's Roles and Responsibilities

Covered California shall:

1. Designate a Covered California Representative to whom all Contractor communications may be addressed and who has the authority to act on all aspects of the contract.
2. Provide access to business and technical documents as necessary for the Contractor to complete the tasks identified in this RFP.
3. Ensure appropriate resources are available to perform assigned tasks, attend meetings, and answer questions.
4. Ensure that decisions are made in a timely manner.
5. Provide work areas and meeting rooms as needed.
6. Identify and provide access to Subject Matter Experts (SME) to assist in the development of technical requirements.

3.8 Project Assumptions and Constraints

1. The Contractor's work hours shall be consistent with Covered California's key staff on-site, whose normal business hours are 8:00 a.m. to 5:00 p.m. PT, Monday through Friday, except for State holidays.
2. Overtime rates will not be reimbursed under the contract.
3. Travel will not be reimbursed under the contract.
4. Any modifications to tasks within Exhibit A – Scope of Work of the contract shall be defined, documented, and mutually agreed upon by the Contractor and Covered California's Representative prior to starting work on the modified task(s). Covered California's Representative may refine or clarify the services deemed necessary to meet the needs of this project in accordance with Covered California's priorities.
5. Covered California and the Contractor shall be mutually obligated to keep open and regular channels of communication in order to ensure the successful performance of the contract. Both parties shall be responsible for communicating potential problems or issues to Covered California's Representative and the Contractor's project team manager, respectively, within forty-eight (48) hours of becoming aware of the problem or issue.

3.9 Payment and Invoicing

If the collection of fees assessed from QHPs are collectively not sufficient to provide the funds for this program, Covered California shall have the option to either cancel this Agreement with no liability occurring to Covered California or offer an agreement amendment to the Contractor to reflect the reduced amount.

The Contractor may invoice Covered California only after the successful completion and acceptance of the contract deliverables. The Contractor may not invoice Covered California for any costs exceeding the maximum amount identified to complete a deliverable.

4. PROPOSAL RESPONSE CONTENT

Final proposal requirements include the following areas, each of which is described in detail in subsequent sections of this document:

1. Administrative Requirements
 - a. Attachments
 - b. Model Contract with Exhibits

2. Technical Requirements

4.1 Proprietary Information and Confidential Status of Responses

Any documentation submitted which has been marked “Proprietary” or “Trade Secrets” may be rejected.

4.2 Administrative Requirements

Final Proposals will be assessed on a pass/fail basis to verify compliance with all Administrative Requirements.

4.2.1 All Final Proposals must be submitted within the timelines specified in Section 1.2 of this RFP, and must include the following Administrative Requirements in this order:

1. The “Proposal Cover Page” form (*Attachment 1*) completed and signed by a representative authorized to bind the bidding organization.
2. A Certificate of Liability Insurance equal to or greater than \$1,000,000.
3. Proof of Workers’ Compensation Liability Insurance.
4. Proof of Automobile liability, including non-owned auto liability, of \$1,000,000 per occurrence for persons used by Contractor for services provided pursuant to this Agreement.
5. A signed Federal Debarment Certification (*Attachment 2*).
6. A completed certification form showing, upon contract execution, that the Bidder and applicable staff if identified as a code filer agree to provide a completed Title 10, California Code of Regulations, Chapter 12, Article 1, Statement of Economic Interests (Form 700) (*Attachment 3*). For more information, see the California Health Benefit Exchange Conflict of Interest Code: <http://hbex.coveredca.com/resources/>, and the Fair Political Practices Commission site: <http://www.fppc.ca.gov/>.
7. A signed Payee Data Record form STD 204 (*Attachment 4*)
8. Contractor Certification Form (*Attachment 5*)

4.2.2 Updated Model Contract

1. Using the Exhibit A – Scope of Work template, include revised Exhibit A with updated Scope of Work, using track changes.
 - a. Understanding and Description of the tasks to be performed (Work Plan).
2. Costs: Include revised Exhibit B – Budget Detail and Payment Provisions and Exhibit B, Attachment 1 – Cost Worksheet, using track changes.

Include Exhibit C with any proposed tracked changes to the General Terms and Conditions. Submission of Exhibits without tracked changes will constitute acceptance by the Bidder of the Exhibits as drafted.

4.3 Technical Requirements

In addition to the Administrative Requirements, all Final Proposals must:

4.3.1 Understanding and Approach

Include a description of the Bidder's understanding of the project's goals, emphasizing the Bidder's understanding of the objectives and the major activities that must be performed to complete the work. Discuss the Bidder's strategy for providing the services outlined in the solicitation within the time period allocated for that task. ~~Provide a table showing hours per week by person covering the contract term.~~ Include expectations of all entities outside the Bidder's own team, if any. Provide any assumptions used to develop the response.

Covered California anticipates that selected General Agents will develop approaches and strategies to address the following issues.

- a. Strategies for supporting specific populations, including underserved populations, rural areas and start-up companies;
- b. Strategies for promoting small business retention through Covered California;
- c. Approaches to promoting and supporting agent education relative to Covered California, including working with Covered California on education to ensure agents are appropriately trained to gain certification;
- d. Approaches to providing sales and marketing support to agents in order to encourage and facilitate enrollment of small business customers through Covered California, using tools such as digital marketing, direct mail, telemarketing, webinars, or other effective strategies;
- e. Approaches to maximizing the percentage of online applications, as opposed to hard copy applications; and

Approaches to supporting the sale and marketing of supplemental benefits, including dental and vision products.

(No more than five pages.)

4.3.2 General Agency Activity Considerations

Include a description of your understanding of two key considerations/constraints with regards to this project.

- a. First, Covered California anticipates that the Covered California for Small Business Administrative vendor will be accountable for the direct oversight of all Covered California-related work performed by selected General Agents.
- b. Second, in order to deliver affordable and competitive health coverage that is competitive with the commercial market, Covered California seeks General Agents that will accept reasonable compensation that is less than the traditional override commissions generally paid in the commercial health care marketplace.

Bidder's approach must take into consideration the challenges plan issuers will face in meeting new medical loss ratio requirements of 2014 and after. Bids based on this consideration will be favorably weighed as affordability and reasonable margins are a guiding principle for an effective and mutually beneficial Covered California partnership (see Section 6 Evaluation Criteria for more information regarding scoring).

(No more than 5 pages.)

4.3.3 Operational Information and Data

Please provide a brief description of your organization, including:

- a. Number of agents served on a consistent monthly basis,
- b. Number of field sales representatives by region served;
- c. Compensation of sales representatives, specifically focusing on new businesses and/or referrals.
- d. The role of your sales support and/or account management staff. How do they interact with your sales representatives?
- e. Identification of your quoting system and basic information regarding its functionality. Is it proprietary or third party?
- f. What resources would you require from Covered California to successfully market the Covered California for Small Business products?
- g. Your current and proposed process for "scrubbing" new case submissions to ensure that all required information is presented. Is there a Quality Control and/or performance guarantee feature to this process?

(No more than 5 pages.)

4.3.4 Sales Statistics and Sales Projections

Please include in your proposal the following sales statistics:

1. Total number of medical members (employees plus dependents) currently serviced in the California Small Group market.
2. Average new California small group medical members enrolled per month for ~~2012-2018~~ 2012–2016 to date.

(No more than 2 pages.)

4.3.5 Marketing Activities

With respect to Covered California for Small Business Exchange products, provide a quarterly overview for Quarter 3 and Quarter 4 of ~~2018~~ 2016, and each quarter of ~~2019 and 2020~~ 2017 and 2018, for launch events, agent sales events, and other sales or training events that you would use to create enthusiasm and growth for the Covered California for Small Business Exchange products.

(No more than 6 pages.)

4.3.6 Compensation

Covered California will establish General Agent compensation via competitive bid. Please provide your proposed % of premium compensation plan for year one of this contract (reference model contract language). In subsequent years, Covered California may consider using alternative methods of General Agent compensation, including but not limited to, per employee per month (PEPM) or per member per month (PMPM). This would be renegotiated if, at the discretion of Covered California, the term of the contact is extended.

Covered California will implement Service Level Agreements (SLAs) into an amended agreement. Covered California will not implement SLAs during the first year of this agreement, which is why the Model Contract does not have an SLA provision. During the Renewal Period, at Covered California's sole discretion, Covered California and Contractor may discuss the terms of SLAs and their effect on compensation as set forth in Exhibit B. SLA areas for consideration include, but are not limited to:

- a. Accuracy of initial submission received by Covered California for Small Business
- b. Auditing of processing performed by contracted General Agent.
- c. Measuring the timeliness of case submissions

SLAs will thereafter be implemented into an amended agreement upon expiration of the Renewal Period. Covered California solely reserves the right to

forego implementation of SLAs if necessary. Should Contractor not agree to implement SLAs, Contractor may decline to renew the agreement.

4.3.7 Assumptions

Document any assumptions the Bidder is making about the SOW, the responsibilities of the Bidder and Covered California, and any other issues relevant to the Bidder's offer and ability to do the work for the proposed cost.

(No more than one page.)

4.3.8 Model Contract Response

The template for the Model Contract portion of the response is contained in Attachment 2. Bidder shall propose a compensation structure in Exhibit B of the model contract. Bidder must propose a percentage of the premium compensation plan for year one as set forth in Exhibit B, Section A, Subsection 3. Bidder may propose an alternative method of compensation, including but not limited to per employee per month (PEPM) or per member per month (PMPM), in Exhibit B. This alternative method of compensation would commence on year two (i.e. at time of small business group renewal). If Bidder does not propose an alternative method of compensation for year two, Bidder must instead propose a commission percentage for that year. Bidder may also update the Statement of Work as set forth in Section D of Exhibit A if Bidder proposes to perform any specific tasks to enroll, renew, and retain Covered California for Small Business enrollment. All information input or changes proposed must be identified using track changes on Attachment 2.

Please be advised that the Model Contract contains the standard terms and conditions between Covered California and all Contractors. Bidder must review all terms and conditions prior to submitting a response. Covered California may consider modifications to the standard terms and conditions. Any proposed changes to these terms and conditions must be made with track changes and submitted as part of the bidder's response.

5. AWARD AND SELECTION CRITERIA

5.1 Written Responses to This RFP Will Be Evaluated In Phases

Phase 1- Administrative Requirements. The Evaluation Team will review responses to the Administrative Requirements as more fully described in 4.2 above.

Phase 2 – Technical Requirements. The Evaluation Team will review the narratives describing understanding and approach, corporate qualifications, project team qualifications, resumes and past projects completed.

5.2 Interviews

After Phase 2, interviews may be conducted with up to three (3) of the highest-rated Bidders. The number of Bidders interviewed and the decision whether to conduct interviews at all shall be within the sole discretion of Covered California. The specific staff to be interviewed will be agreed upon by Covered California and the Bidder at the time the interview is scheduled.

5.3 Evaluation Criteria

Evidence of extensive previous experience in similar complex efforts will receive significant consideration in the evaluation process, as will demonstrated experience related to the SOW.

The table below lists the evaluation categories and the weight each will carry in the overall evaluation of each proposal:

Technical Requirements Scoring Criteria	Weight	Points
1. Understanding and Approach	20%	200
2. Operational Information and Data	15%	150
3. Sales Statistics	25%	250
4. Marketing Activities	10%	100
5 Compensation	30%	300
Totals	100%	1000

After application of the weighted evaluation criteria described above, Covered California will combine the technical requirements with the final cost score and will tentatively identify the firm with the highest combined proposal score. Covered California will determine which Bidders, if any, are eligible to receive a bidding preference (i.e., small business or non-small business subcontractor preference, DVBE incentive, TACPA). The highest-rated proposal from a responsible Bidder shall be recommended for selection. Covered California, at its sole discretion, reserves the right to recommend more than one bidder.

~~Refer to Section 6 for details on applicable preferences/incentives.~~

The Covered California Evaluation Team will evaluate Bidder proposals in these areas:

1. Understanding and Approach
2. Operational Information and Data
3. Sales Statistics
4. Marketing Activities
5. Compensation

5.3.1 Understanding and Approach

Scoring of this factor shall be based on the Evaluation Team's assessment of the Bidder's understanding of, and insight into, the challenges, issues and risks faced by Covered California as depicted in Model Contract Exhibit A – Scope of Work, and the feasibility, efficiency and expected effectiveness of the approaches offered by the Bidder to provide assistance to Covered California. Evaluators will assign scores based on information contained in the Bidder's Understanding and Approach Narrative described above in Section 4.3.1. The Evaluation Team will consider, in descending order of importance:

1. Quality of the Bidder's approach in addressing scope of responsibilities and activities, including how the Bidder will provide the flexibility to address issues as they arise, while maintaining a high level of quality in the approach;
2. Quality of the Bidder's approach to early identification of issues and risks, and how the approach will directly contribute to resolution and mitigation; and
3. Demonstrated understanding of the key characteristics of the project in general.

5.3.2 Operational Information and Data

Covered California seeks a General Agent that employs an experienced staff of sales representatives and has significant reach across the agent community. Also, the General Agent should maintain a high degree of activity and communication with agents. Further, the vendor should maintain a highly functional, proven quoting system, and have a commitment to submitting business that has been properly screened and prepared.

Scoring of this factor will be based upon the Evaluation Team's assessment of the bidder's Operational Information and Data narrative.

5.3.3 Sales Statistics and Projections

Covered California seeks a General Agent that will provide sales results that will meet or exceed established goals on a consistent basis.

1. Scoring of this factor shall be based upon the Evaluation Team's assessment of the Sales Statistics provided by the bidder. The Evaluation team shall consider past performance, as well as new ideas to make a significant sales impact.

5.3.4 Compensation

Covered California seeks a General Agent that will accept reasonably competitive commissions compared to those paid in the commercial marketplace.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Compensation information provided by the bidder.

5.3.5 Marketing Activities

Covered California seeks a General Agent with an aggressive marketing plan, and a history of frequent, effective marketing activities.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Marketing Activities narrative provided by the bidder. The Evaluation team shall consider past activities and visibility in the marketplace, as well as the General Agents marketing plan for the last two quarters of 2016, and full years for 2017 and 2018.

5.4 Technical Requirements Scoring Criteria

Evaluators will assign technical points to all categories using these technical requirements scoring criteria:

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	10.0
Good	Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	7.5
Acceptable	Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	5.0
Marginal	May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses or deficiencies	Significant	Significant	Poor	2.5
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

5.5 Cost Score

Cost (300 points)

Each Bidder's cost score will be calculated using the ratio of the lowest cost proposal to the Bidder's cost, multiplied by the maximum number of cost points available (300 for this example), as shown in the calculation below:

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

Example: Refer to the 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 only)

Bidder	Grand Total Cost for year one	Calculation	Cost Points Awarded
A	2.0%	$\frac{1.75}{2.0} \times 300$	263
B	2.25%	$\frac{1.75}{2.25} \times 300$	233
C	1.75%	$\frac{1.75}{1.75} \times 300$	300

Attachments

- Attachment 1: Proposal Cover Page
- Attachment 2: Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion – Certification
- Attachment 3: Form 700 Statement of Economic Interest Certification
- Attachment 4: Form STD 204 – Payee Data Record
- Attachment 5: Contractor Certification Form
- Attachment 6: Proposal Checklist

Model Contract with Exhibits

- Standard 213
- Exhibit A – Scope of Work
- Exhibit B – Budget Provisions
- Exhibit C – General Terms and Conditions (Revised on page 1)
- Exhibit D – Privacy Addendum
- Exhibit E – Marketing & Branding Guidelines