



## Request for Proposal 2014-20: Advertising & Marketing Campaign

### Bidders' Conference Questions and Answers

The following questions were received in advance of the Covered California 2014-20: Advertising & Marketing Campaign RFP Bidders' Conference and during the question and answer period of the Bidders' Conference on March 13, 2015. The questions have been grouped by topic area and may have been edited to omit specific agency details and for ease of reading.

#### **Billings & Minimum Qualifications**

1. Can two or more agencies join together as a joint venture and combine their California billings to meet your requirements or must one, single prime Bidder meet all requirements?

One full-service advertising agency must meet all of the minimum requirements.

2. Can the billings of the prime Contractor, coupled with the billings of major subcontractors, collectively meet the minimum billings requirements?

Only the media placement billings for the Bidder's clients completed by an external media buying service may be used to meet the minimum gross billings. All other subcontractor billings may not be used.

3. We excel at marketing to the Hispanic consumer and would love the opportunity to be partnered with another bidder that meets the billing requirement. Would this be possible?

Reaching the Hispanic community is an extremely important population for this campaign. However, Covered California will not be connecting subcontractors with prime agencies who meet the minimum qualifications.

4. The RFP includes a requirement of \$150MM of gross billings and a minimum of 50 employees to be located in the California office. Our offices operate under one P&L – rather than each office being a separate profit center. In total, our agency billings exceeds the \$150MM gross billing requirement, and our California offices employs more than 50 employees. Do we qualify to participate without the need of a subcontract to achieve the basic requirements? Can the billings be reported as total agency billings?

Covered California issued an addendum to the RFP on March 17, 2015 to adjust the annual minimum gross billings from \$150 million to \$100 million for an agency operating under one P&L center. The billings of each Bidder

will be analyzed on a case-by-case basis and should be detailed in the Bidders Stage 1 proposal.

To clarify, the 50 employees must be from the one California-based office identified in the submission.

5. Together with a media buying partner, we exceed the annual gross billing requirement. However, it is a new relationship without a three year history of working with shared clients. Are we qualified to submit a proposal?

Unfortunately based on your description, it appears your agency does not meet the minimum qualifications if you cannot achieve the minimum gross billings independently or with the media buyer billings on behalf of your clients, for at least two of the past three years.

6. If different teams work on other business that is considered a conflict or the scope of work is vastly different, does that negate the conflict or does it still have to be disclosed? For example, our company works with a health plan that is part of the marketplace.

Please disclose any potential conflicts to Covered California either via email prior to Stage 1 or as part of your Stage 1 submission and how you plan to handle the conflict. Please see Attachment 4 for more information. Conflicts of interest will be handled on a case-by-case basis but should not share offices, staffing or strategic planning.

7. Is there a preference for Sacramento-based Bidders?

No. The California-based office bidding on the account can be anywhere in California.

8. Is there a preference for Bidders that are California Multiple Award Schedules (CMAS) contract holders?

No, there is not a preference for CMAS contract holders.

## **RFP Details**

1. The last column of the grid in Attachment 7 requests "Targeted Outreach." Could you please clarify what you mean by that term?

This column indicates the target populations that you outreached to on behalf of the client indicated. Please refer to the table on the bottom of page 2 in Attachment 6 to complete the "Targeted Outreach" column on both Attachment 6 and 7.

2. For Attachment 7, what if billings include media placements purchased in-house and by an external buying service? How should the form be completed?

Please indicate which media placements were purchased by your agency or by an external firm. If both, indicate the percentage of each.

3. The RFP states that Bidders may be asked to present potential creative direction, but speculative creative will not be required. Can you provide more details on what you mean and the extent would like to see creative direction?

Additional details will be provided in the Stage 2 assignment to address the extent of the creative direction requested. To clarify per the RFP, speculative creative is not required at Stage 2, but may be requested at Stage 3.

4. Please further explain how DVBE and Small Business participation will be calculated into the overall score.

Incentives for certified Disabled Veteran Business Enterprises/Small Businesses will be applied in the event of a tie at the completion of Oral Presentations. See Section IV. G. for additional information.

5. Is there an evaluation or score sheet that can be shared at this time beyond the evaluation criteria outlined on page 20 for Stage 1?

No. Each stage has a set of evaluation criteria which can be found on pages 20-22.

6. What are the determining factors if embedded onsite staff will be required?

It is anticipated that embedded onsite staff will be necessary.

7. Did the previous marketing team have embedded onsite staff?

Yes, the current contractor has three embedded staff at Covered California headquarters.

8. Will the embedded onsite staff be located at the main office in Sacramento?

Yes.

9. Does “sequential liability” (contractor solely responsible for media only after Contractor has been paid by Covered California) meet the requirements of the contractor media liability?

No. As stated in Exhibit B, section B, the Contractor must include a clause in its media purchase contracts providing that the Contractor is solely responsible for payment of all media invoices. Covered California will reimburse the Contractor for approved costs incurred in accordance with Exhibits A and B. There is no flexibility in this language and the State will not accept sequential liability.

Additionally, see Exhibit A, section O, for discussion of work orders approval, changes and reduction. Covered California will pay for work that is approved and performed prior to any requested reductions. We are aware of cancellation windows for media that could result in a liability to Covered California for future media. We expect the Contractor to clearly identify and communicate media cancellation windows. In general, we avoid cancelling media but cannot guarantee this scenario would not arise. A more common scenario is to shift media when needed well before the cancellation period.

10. Do the client references and case studies need to be from California-based clients with California focused communications? Or can the client be located outside of California and have national communication efforts? Same question for any multicultural references / case studies.

All references and examples should be from the bidding California-based office for both the prime Contractor and the subcontractors. As mentioned during the Bidders' Conference, we want to know about the caliber, experience and capacity of the California-based agency and staff we will be working with directly.

11. What criteria does Covered California use to deny the use of a certain subcontractor?

While the emphasis during the evaluation process will be on the capacity of the prime agency, subcontractors will also be rated. Covered California reserves the right to deny any or all proposed subcontractors or the prime Contractor's in-house capacity for outreach to any target population if Covered California does not feel the subcontractor or prime Contractor has demonstrated the capacity to effectively reach the target population.

12. What are the 2016 coverage enrollment & renewal goals?

These have not yet been established and will be shared with Bidders or the selected Contractor once available.

13. What are the set numbers of Bidders that Stages 2 and 3 are narrowed down to?

As indicated in the RFP, Bidders receiving a minimum overall rating of “Exceeds” will advance to Stage 2. Agencies receiving a minimum of “Meets” may be advanced to Stage 2. There is not a maximum number of Bidders that will advance to Stage 2. The same scoring criteria apply to Stage 3, however only up to three Bidders will move on to Stage 3.

14. If a subcontractor is on more than one team, can information for each submission be the same, such as team, samples, etc.?

Yes.

**Scope of Work**

1. While this RFP is specifically for advertising and marketing services, who are your other agency partners and will they be retained? For example, public relations?

The current public relations contractor is Ogilvy. An RFP was issued on March 16, 2015 to fund a public relations contract with a start date of June 15. This review process will be managed by the Communications Division at Covered California. We also have contracts with community-based navigators and certified insurance agents to facilitate enrollment, as well as a vendor to distribute collateral materials.

2. Does Covered California currently use a Marketing Mix Allocation tool? If so, can Covered California disclose which one?

Marketing mix recommendations are handled by the advertising agencies.

3. Can you please explain why the Contractor would be responsible for providing Covered California with the scientific studies mentioned in this section of the SOW? *“The contractor shall provide copies of scientific studies, research and calculations used to substantiate the facts used in ads, if necessary.”*

If specific facts are used by an advertising agency that have not been provided by Covered California, the agency must provide Covered California with the source of the fact (scientific studies, research and/or calculations) to substantiate the proposed creative.

4. The SOW states, *“The overarching strategic plan should address broad Exchange goals and objectives and specific marketing strategies, as well as integrate with public relations, sales, and other outreach efforts.”* Are there any existing Covered California outreach efforts in the market now? If yes, please can

you describe the existing outreach efforts? If not, what do you anticipate will be included in the other outreach efforts?

Please see the Bidders' Conference presentation for the outreach efforts used by Covered California's marketing campaign. Many of these are in the market now, however we are looking to the successful bidder to provide strategic recommendations and insight on how Covered California could employ outreach tactics in its future campaign.

5. Will Covered California continue working with partners responsible for the Website?

The Covered California website is managed and updated in-house.

6. Please confirm the need for public relations activities during this contract as described in the SOW as the actual RFP does not reference these activities. Are you expecting the winning contractor to have PR capabilities either in-house or via a subcontractor? If so, how would PR services be covered as it related to Exhibit B?

As mentioned at the Bidders' Conference, the SOW was intentionally written very broadly in order to encompass any marketing and communications objectives that might be needed over the contract term. Specific to public relations, the Communications Division at Covered California handles all public relations. There is currently a RFP for a public relations contractor that has been issued by Covered California. It is not anticipated that the successful Bidder of this RFP will need to handle public relations activities, thus it is not required that Bidders demonstrate internal or external capacity for public relations for this review and will not be evaluated in this review. However, it is possible the selected Contractor may be asked to provide public relations services as needed.

### **Outreach Methods & Tactics**

1. How is the multicultural and multi-language experience of staff or subcontracting partners utilized for advertising and marketing?

Conducting strong outreach to the diverse populations in California is a high priority for Covered California. Strong outreach will only occur with a deep understanding of the target population and cultural sensitivities. Covered California's goal is to create relevant and impactful multicultural campaigns. The staff at Covered California is also very multicultural and passionate about creating diverse campaigns.

2. Is there a priority order for the target audiences?

California is a diverse state which must be reflected in the marketing campaign and outreach. Priorities may flex depending on organizational need and campaign direction. The agency's recommendation is highly valued.

3. What are the key markets (i.e. Cities) for this initiative?

The intent of the marketing campaign is to reach all qualified Californians in all markets.

4. Could you please clarify what, if any, role digital has in the communications mix?

Digital is very important to the marketing campaign, including paid placement and social media. Covered California will look to the successful Bidder to recommend the best use and mix of digital to further advance the awareness and education of Covered California. Currently, Covered California uses social (paid and organic), premium/standard/banner/takeover ads and paid search as digital outreach methods.

5. Is there a digital analytics dashboard available? If so, can you share which platform you are using?

Not at this time. The successful Bidder will be briefed for background on specific outreach efforts, such as digital.

6. Do you have any current sponsorships that exist? For example, it could be with an organization, media group, local team, etc.

No paid sponsorships currently exist.

7. Have your communications goals changed since the launch of Covered California? Awareness vs. conversion?

As mentioned in the Bidders' Conference, Covered California is in transition from an emphasis on Open Enrollment marketing to a balance between Open Enrollment periods, retention and renewal of existing members and Special Enrollment periods.

8. Of your existing 1.3 million members, what is the percentage breakdown of individuals vs. small business? Will small business be a core focus moving forward?

The individual market remains the primary focus of our efforts. Small business is a smaller proportion of the marketing campaign's outreach efforts.

9. Will Covered California continue working with partners responsible for Retail/Storefronts?

Yes.

10. We noticed in the RFP that direct mail and email credentials were not requested. Have you tested or deployed direct mail or email outreach to ensure retention or new enrollment for individuals, families or small businesses—what were the results? What percent of your prior budget was allocated for direct mail/email?

Direct mail and outreach via email occurs both by the advertising agency and Covered California staff. Customer relations email is managed directly by Covered California staff. We will seek recommendations on how best to take the campaign to the next level.

Given the need to retain and renew current members, will their email and street addresses be available to the agency to develop a direct mail/email retention campaign? Can we market to potential customers once they supply their email address?

No. Covered California cannot share member information with contractors, however information and collateral can be pushed out by Covered California staff which was developed by the ad agency. The same applies to potential customers who are in the process of enrolling.

11. What does Covered California believe to be the current challenges or areas of opportunity for Covered California's advertising and marketing program?

Please see the Bidders' Conference presentation for additional information on challenges faced by the marketing campaign.

12. Also, has Covered California deployed any mobile tactics?

There is not a mobile version of the Covered California website. A "Shop-and-Compare" app is the only mobile tool available for customers currently.



## Research on Covered California

1. Do you have brand health measures/studies in place? If so, would you be willing to share the results of that research with the competing agencies.

In addition to the resources document already shared, you may find interest in the Executive Summary of the 2014 Consumer Tracking Survey available at:

<http://board.coveredca.com/meetings/2014/5-22/PDFs/NORC%20Consumer%20Tracking%20Report.pdf>.

2. Does Covered California have any existing market research (in addition to what has already been provided), such as market trends, target audience insights, etc.? If yes, can this existing research be furnished during the RFP process?

A summary of focus group findings may be made available to those participating in Stage 2 as part of the advertising assignment. Additional market research will be made available to the successful Bidder.

3. Can you share focus group reports?

No. A full debriefing will be given to the successful Bidder.

4. Are there additional partners that are not outlined/listed in the Lessons Learned report that can be shared?

No.

5. Five months have passed since the Oct. 2014 *Lessons Learned Report* was published. Based on the most recent enrollment efforts, from an advertising and marketing perspective - what worked well? What needs to be improved? What needs to be added and deleted?

Please see the Bidders' Conference presentation for challenges faced by the marketing campaign and Covered California. We are looking to your strategic thoughts on how the campaign should be adjusted, if at all, to further the organizations goals of retention and new enrollment.

6. When will lessons learned from the 2015 campaign be made available? We have reviewed the October 2014 report but understand that the campaign will continue to evolve and information from 2015 will be valuable in creating a strategic campaign moving forward.

The 2015 *Lessons Learned* document is currently in development. The final version will be provided to the successful Bidder.

## **Misc. Questions**

1. Will the questions and responses for the above RFP will be posted on the HBEX website?

Yes. This document includes the questions and responses received, including those questions asked in-person at the Bidders' Conference.

2. Will you post the names of agencies who attend the voluntary pre-proposal Bidders' Conference March 13, 2015 for any follow up for subcontracting possibilities?

Yes. The names and agencies of those who attended the Bidders' Conference have been posted on the HBEX Solicitation website.

3. Will the incumbent be participating in the review?

It is anticipated that the incumbent will participate in the review.

4. How many agencies are invited to this phase of the pitch? Could you share which agencies?

All qualified agencies may submit a Stage 1 proposal to Covered California.

5. Can you provide the current number of estimated contractor FTEs working on the advertising and marketing program contract currently?

This information will not be disclosed at this time. The number of FTEs necessary to service the Covered California account will vary depending on each agency.