



**California Health Benefit Exchange
(Covered California)
RFP 2013-09 Actuarial Services**

January 21, 2014

Table of Contents

1.	INTRODUCTION.....	4
1.1	Overview.....	4
1.2	Key Dates	4
1.3	Contact	4
1.4	Contract Amount.....	4
1.5	Bidder's Questions.....	5
1.6	Submission of Final Proposals.....	5
1.7	Format of Proposals.....	6
1.8	Rejection of Proposals	6
1.9	Errors in Final Proposals.....	6
1.10	Protest	7
1.11	Disposition of Bids	8
1.12	Agreement Execution and Performance	8
1.13	Subsequent Solicitation	8
1.14	Addition or Subtraction of Services.....	8
2.	MINIMUM QUALIFICATIONS	9
2.1	Respondent's Minimum Qualifications	9
2.2	Respondent's Desirable Qualifications	9
2.3	Respondent's Desirable Qualifications	10
3.	SCOPE OF WORK	11
3.1	Background.....	11
3.2	Reference Documents	12
3.3	Project Tasks	12
3.4	Contract Completion Criteria.....	14
3.5	Deliverable Acceptance Criteria.....	14
3.6	Contractor Roles and Responsibilities	15
3.7	Covered California's Roles and Responsibilities.....	15
3.8	Project Assumptions and Constraints	15
3.9	Contract Amendment.....	16
3.10	Payment and Invoicing	16
4.	PROPOSAL RESPONSE CONTENT	17
4.1	Proprietary Information	17

4.2	Administrative Requirements	17
4.3	Technical Requirements	18
5.	REVIEW OF FINAL PROPOSALS FOR AWARD/SELECTION CRITERIA	21
5.1	Written Responses to this RFP will be evaluated in three phases	21
5.2	Interviews.....	21
5.3	Evaluation Criteria.....	21
5.4	Evaluation Model	23
6.	PREFERENCE PROGRAMS.....	25
6.1	Small Business Preference.....	25
6.2	Disabled Veteran Business Enterprise (DVBE) – Declaration & Program Incentive.....	25

1. INTRODUCTION

1.1 Overview

You are invited to review and respond to this Request for Proposal (RFP). To submit a proposal to provide the requested services, you must comply with the instructions contained in this document as well as the requirements stated in the Scope of Work (SOW), Contractor Response Guidelines, and Attachment 2-D: Cost Worksheet. By submitting an offer, your company agrees to the terms and conditions stated in this RFP.

Read this document carefully. Responses to this RFP must be submitted to the California Health Benefit Exchange (Covered California) contact noted in Section 1.3 below.

1.2 Key Dates

Contractors are advised of the key dates and times shown below and are expected to adhere to them. All times noted in this document are Pacific Standard Time (PST).

KEY ACTION DATES

Request for Proposal Release Date:	Tuesday January 21, 2014
Questions Due Date:	Friday January 24, 2014 before noon
Response to Questions Due Date:	Tuesday January 28, 2014 before 4pm
Proposals Due Date:	Friday February 7, 2014 before 2pm
Interviews:	TBD
Notice of Intent to Award	Friday February 14, 2014 before 4pm
Estimated Term Dates:	February 25, 2014 – December 31, 2014

1.3 Contact

Alisa Channell
California Health Benefit Exchange
E-mail address: hbxsolicitation@covered.ca.gov
560 J Street, Suite 290
Sacramento, CA 95814

Five copies of the Final Proposal are due by the stated deadline to the contact at the mailing address indicated in Section 1.3.

1.4 Contract Amount

Responses shall not exceed \$832,500 in total costs. Responses that exceed this amount will not be considered for selection.

Covered California estimates a minimum of 2,250 hours of actuarial services throughout the duration of this agreement.

1.5 Bidder's Questions

Bidders shall submit any questions regarding this RFP by the due date specified in the Key Action Dates table in Section 1.2. Only e-mail inquiries addressed to the contact person listed Section 1.3 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 RFP 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 RFP or fail to seek clarification and/or correction of the RFP, shall submit a proposal at their own risk.

1.6 Submission of Final Proposals

1. 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 RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and completeness and clarity of content.
2. 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.
3. Completion of Proposals: Proposals must be complete in all respects as described in the requirements established within the RFP. 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 RFP requirements. The Final Proposal must contain all items required in the RFP.
4. 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 RFP, it will be the basis for rejection of the proposal.

Issuance of this RFP 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 RFP 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 RFP 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.

1.7 Format of Proposals

This RFP 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 envelope/container when shipped to Covered California by the dates and times shown in Section 1.2 Key Dates. The sealed package must be plainly marked with the (1) RFP number and title, (2) firm name and address, and (3) must be marked with "DO NOT OPEN", as shown in the following example:

RFP 2013-09
Actuarial Services
Attention: Alisa Channell
California Health Benefit Exchange
560 J Street, Suite 290
Sacramento, CA 95814

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 five (5) sets of copies for all Administrative/Technical Attachments and Exhibits 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 four (4) as additional copies. Bidder shall also provide a CD ROM with the appropriate Administrative and Technical Attachments and Exhibits 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.

1.8 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 RFP documents or 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 NOT SEALED, WILL BE REJECTED.**

1.9 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 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 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.
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 RFP 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 RFP 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.

1.10 Protest

A protest may be submitted according to the procedures set forth below. If a vendor has submitted a proposal which it believes to be totally responsive to the requirements of the solicitation process and believes the proposer should have been selected, according to Section 6.3 - Evaluation Criteria, and the proposer believes Covered California has incorrectly selected another proposer for the award, the proposer may submit a protest of the selection as described below. Protests regarding selection of the "successful proposer" will be heard and resolved by Covered California's Executive Director.

All protests must be made in writing, signed by an individual who is authorized to contractually bind the proposer, and contain a statement of the reason(s) for protest, citing the law, rule, regulation, or procedures on which the protest is based. The protester must provide facts and evidence to support their claim. Certified or registered mail must be used unless delivered in person, in which case the protester should obtain

a receipt of delivery. The final day to receive a protest is five (5) business days after vendor selection. Protests must be mailed or delivered to:

Mailing Address:
California Health Benefit Exchange
Attn: Peter Lee, Executive Director
560 J Street, Suite 290
Sacramento, CA 95814

1.11 Disposition of Bids

Upon bid opening, all documents submitted in response to this RFP 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.

1.12 Agreement Execution and Performance

Performance shall start no later than the express date set forth in the RFP 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.

1.13 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.

1.14 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.

2. MINIMUM QUALIFICATIONS

2.1 Respondent's Minimum Qualifications

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

- Actuarial experience in the individual and small group commercial health insurance market that demonstrates knowledge of how premium rates are constructed;
- Minimum work experience with and knowledge of the CMS forms - Uniform Rate Review Template (URRT) and Supplemental Rate Review Template (SRRT);
- Experience with analysis of demographic enrollment data to perform simulated risk adjustment analysis;
- Substantial knowledge and working experience with the requirements of the Affordable Care Act with respect to rating factors and actuarial value;
- Knowledge and experience with the Federal Actuarial Value Calculator;
- Experience with actuarial approach to benefit plan design analysis, development and evaluation for plans covering the Essential Health Benefits, including the pediatric dental benefit; and
- Substantial knowledge of actuarial methods and techniques as applied to health insurance premium development and analysis.

2.2 Respondent's Desirable Qualifications

Covered California is seeking an individual or entity identified in this Statement of Work with the following desirable skills:

- Knowledge of and experience with private and state based health care exchanges both pre and post ACA;
- Knowledge of and experience with California health insurance markets, especially individual and small group markets;
- Substantial experience working with the SRRT and URRT, the inputs and underlying assumptions built into those templates, claims experience used in these templates, and ability to evaluate inputs;
- Ability to model different health and dental benefit plan designs to comply with state and federal actuarial value requirements and to advise the Exchange on consumer-friendly benefit plan design features;
- Knowledge of and experience with premium stabilization programs - reinsurance, risk adjustment and risk corridors and how these programs might affect health insurance premium rates in the Exchange for 2015 and 2016;
- Strong ability to communicate actuarial analyses, methods as applied to proposed premium analysis to staff in lay terms;
- Demonstrate how bidder's knowledge and experience in individual and small group health insurance markets in California will support the Exchange's efforts to create and maintain a competitive and robust health insurance marketplace;
- Ability to support Covered California's work with state regulator actuaries; and
- Ability to coordinate with Covered California's vendors on highly complex, interrelated technical projects that involve data used to support actuarial analyses.

2.3 Respondent's Desirable Qualifications

1. The Contractor shall not reassign personnel assigned to the Agreement during the term of the Agreement 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 Agreement. The hourly rate negotiated shall be dependent, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the Agreement.

2.3.1 Engagement Team Qualifications

Covered California is seeking a team with experience and knowledge of, or experience in, the process outlined in the Scope of Work. Contractor must demonstrate that staff assigned to the project possesses the experience, education, knowledge, and skills required to perform the SOW described in this RFP.

Minimum Qualifications for the engagement team include experience in the following areas:

- Engagement team members must be free from conflicts working with Covered California and remain free of conflicts for the duration of this contract as it relates to:
 - Providing actuarial and/or consulting services to existing Qualified Health Plans on Covered California
 - Providing actuarial and/or consulting services to potential new entrants which may include newly licensed health plans and Medi-Cal managed care plans in California.
 - If any Engagement Team members identify conflicts and they believe such conflicts can be avoided or mitigated, provide a detailed description of the manner in which this is proposed to occur.
- Willingness and ability to establish a Core Engagement Team. Covered California and Contractor will mutually agree on the Core Engagement Team that will provide the majority of the work under this contract. The Core Engagement Team:
 - Will consider Covered California work to be a top priority over other client work
 - Must be able to be dedicated to Covered California for mutually agreed upon critical periods of time (Qualified Health Plan [QHP] contract recertification and renewal of rates for example)
 - Must be available for urgent work 24/7
 - Must be willing to be present in Covered California offices as needed (predominately Sacramento). Travel and related expenses for the Core Engagement Team are not reimbursable expenses under this Contract.

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 employers 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. 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 the:

- Department of Health Care Services, which oversees and administers the California's Medicaid Program (Medi-Cal) and other specifically focused health programs;
- Managed Risk Medical Insurance Board, which oversees and administers the California's Children's Health Insurance Programs (Healthy Families and Access for Infants and Mothers), and both the state (Major Risk Medical Insurance Program) and ACA funded (Pre-Existing Condition Insurance Plan) high risk pools;
- The two agencies that regulate health insurance in California, the Department of Managed Care and Department of Insurance; and
- A broad range of stakeholders whose constituencies will be impacted by health care reform.

The purpose of this solicitation is to acquire health insurance actuarial services to support a range of activities related to Plan Management, largely for its

recertification/decertification and certification of new QHPs in 2014 for the 2015 Plan Year. In addition, Covered California will need actuarial services to support operation of its ongoing business in an efficient and effective fashion. The work in this RFP is not intended to overlap or conflict with vendors who may be sought by Covered California for clinical and network analytics work.

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

3.2 Reference Documents

For additional information about the Covered California and previous solicitations, please visit: <http://www.healthexchange.ca.gov/Pages/Default.aspx>

3.3 Project Tasks

The following brief Statement of Work outlines Covered California's overall expectations. Potential vendors will be asked to develop their own, more detailed approach in response to this procurement.

1. Contractor Tasks and Responsibilities

The Contractor(s) tasks and responsibilities shall include, but are not limited to, the following topics:

- a) Review all rates submitted by all QHP bidders for reasonableness, compliance with existing and new laws, and analyze rates for every rating region and metal level;
- b) Analyze premium rates proposed by QHP bidders using the Uniform Rate Review Templates (URRT) and Supplemental Rate Review Templates (SRRT) and any other forms or backup data and evaluate the submission documenting the total cost of care in each rating regions or other areas of interest;
- c) Validate and document the medical loss ratio, administrative costs, the implementation of the 3Rs (Reinsurance, Risk Corridors, and Risk Adjustment), the proposed profit margin, the inclusion of an appropriate participation fee for Covered California, and ensure that no inappropriate rating factors are used to adjust rates for adverse selection or induced utilization except where permitted. Analyze and provide recommendations regarding other assumptions and inputs proposed by the bidder;
- d) Perform actuarial analysis of the proposed rates by rating region and metal level. Project the impact of the reinsurance and risk adjustment programs for the 2015 plan year;
- e) Analyze demographic risk based on enrollment data supplied by California Healthcare Eligibility, Enrollment and Retention System (**CalHEERS**) reports or QHPs and impact of enrollment information on proposed rates for 2015;
- f) Recommend and conduct additional analyses on enrollment data to inform the QHP renewal process;
- g) Use a commercially available risk assessment analytic tool or algorithm to compare and analyze risk mix and distribution across QHPs, including

- detailed comparison by region and by metal level (specify recommended analytic methodology);
- h) Analyze and project potential financial performance of QHP bidders based on early claims experience, demographic profiles and geographic enrollment patterns by QHPs;
 - i) Compare QHP rate competitiveness within a geographic region and in the aggregate;
 - j) Calculate the retail cost and the Tax advantaged cost for the entire rating grid (all products) in all regions using the Centers for Medicare & Medicaid Services (CMS) 3:1 age ratio;
 - k) Analyze rate proposals for both Individual and Small Business Health Options Program (SHOP) exchanges;
 - l) Analyze pediatric dental rates for both embedded individual health plans and for standalone dental plans;
 - m) Recommend content and format for periodic ad hoc utilization and financial performance from QHPs if requested;
 - n) Provide a market shelf analysis for each pricing region including:
 - 1) Product and pricing for 2015
 - 2) Identify pricing impacts of changes derived from provider networks and network design for each QHP as proposed for 2015 with clear call out of changes from 2014
 - 3) Document change in pricing for each QHP and the relative change in rank order for 2015 vs 2014
 - 4) Based on 2014 enrollment, provide estimates of market shift due to price and/or network changes
 - 5) Assist with portfolio analysis for each region based on proposed 2015 QHP's
 - o) Provide analysis of any tiered provider network approaches including the compliance of tier 2 and out-of-network benefits with actuarial rules reflected in the Federal ACA, the CA-ACA, other California laws, and the policies and practices of Covered California;
 - p) Evaluate the effectiveness and value of the pricing structure within a region and analyze the competitive environment within a region. Perform analyses regarding the most appropriate number and configuration of rating regions including possible recommendations in changes to rating regions that would make the marketplace more competitive and more consumer-friendly and further support Covered California's effort to stimulate a more competitive marketplace;
 - q) Provide actuarial certifications as needed for Covered California to meet its public, regulatory, and legal requirements, if requested;
 - r) Provide actuarial memos to support proposed actuarial values of 2015 standard benefit plan designs, if requested;
 - s) Provide analytic support for review of the 2014 Covered California standard benefit plan designs in preparation for the 2015 plan year, including the embedding of the pediatric dental Essential Health Benefit;
 - t) Provide advice on use of the federal actuarial value calculator for the 2015 plan designs;
 - u) Provide support and advice by modeling changes Covered California may want to consider for 2015 standard benefit plan designs;
 - v) Assist with other actuarial duties which may arise from the overall implementation of Covered California; and

- w) Coordinate and work with other Covered California vendors, including but not limited to clinical and network analytics vendor(s), if requested.

2. Deliverables

1. Produce visual representation of these costs using mapping software or other tools that makes the information accessible. A complete communication packet is needed for each rating region.
2. Develop a modified rating submission and review process for 2015 and a robust rating and submission process for 2016 largely automating the process with the participating health plans.
3. Provide reports on actuarial and related topics as needed to support Covered California's analytic needs.

3. Other Reporting Requirements

- a. The contractor will develop and provide actuarial related ad hoc reports as deemed appropriate and necessary by the State.

3.4 Contract Completion Criteria

This contract will be considered complete when Covered California's Project Manager has approved and accepted all assigned 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 Statement of Work will be based on time and materials. It will be Covered California's sole determination as to whether any tasks have been successfully completed and are acceptable.

Throughout the contract, Covered California will review and validate services performed. In addition, Covered California's Project Manager will verify and approve the Contractor's invoices. Signed acceptance is required from Covered California Project Manager to approve an invoice for payment.

Deliverable acceptance criteria consist of the following:

1. Deliverable specific work was completed as specified and the final deliverable product/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.

3.6 Contractor Roles and Responsibilities

The Contractor is expected to:

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 for services. This person will be responsible for the overall project and will be the contact for all invoice 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 weekly with Covered California staff to discuss progress if needed.
4. The Contractor will make its best efforts to maintain staff continuity throughout the life of the project. If, however, a substitution becomes necessary, the Contractor must submit a resume for review, in advance, of all proposed personnel substitutions. All Contractor personnel substitutions must be approved in writing by Covered California's Project Manager. Failure to receive the required approvals may result in termination of the contract.

3.7 Covered California's Roles and Responsibilities

Covered California will:

1. Designate Covered California contact person (Project Manager) to whom all Contractor communications may be addressed and who has the authority to act on all aspects of the services. This person will review the agreement and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.
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 to assist with the elaboration of technical requirements.

3.8 Project Assumptions and Constraints

1. The Contractor's work hours must be consistent with Covered California's key staff on-site. Covered California's normal business hours are 8:00 AM to 5:00 PM PST, Monday through Friday, except for standard holidays.

2. Overtime rates will not be reimbursed under this agreement.
3. Travel will not be reimbursed under this agreement.
4. Any modifications to tasks within the SOW of this contract will be defined, documented, and mutually agreed upon by the Contractor and Covered California's Project Manager prior to starting work on the modified task. Amendments to the contract for tasks within the SOW are limited to an extension of time or tasks directly related to the SOW.
5. Covered California's Project Manager reserves the right to renegotiate the services deemed necessary to meet the needs of this project according to Covered California's priorities. Covered California and the Contractor must mutually agree to all changes. Renegotiated services outside the scope of the original contract will require contract amendment prior to commencement of work.
6. Covered California and the Contractor are mutually obligated to keep open and regular channels of communication in order to ensure the successful execution of this contract. Both parties are responsible for communicating any potential problem or issue to Covered California's Project Manager and the Contractor's engagement manager, respectively, within 48 hours of becoming aware of the problem.

3.9 Contract Amendment

Covered California may, at its sole discretion, extend the term of the contract for an additional two (2), one (1) year extensions. If mutually agreed upon by the State and the Contractor, this Agreement shall be amended to include additional services and funding.

3.10 Payment and Invoicing

Payment to Contractor is contingent upon Covered California's receiving funding from the Federal government. Covered California shall bear no liability or responsibility for payment to Contractor, even for services provided and delivered, in the event payment to Covered California from the Federal government is delayed, suspended, or terminated.

The Contractor may invoice Covered California only after the successful completion and acceptance of the candidate. 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 are contained in the following areas that are described in detail in subsequent sections of this document:

1. Administrative Requirements
2. Understanding and Approach
3. Corporate Qualifications Summary
4. Staff Experience
 - a. Staff Resumes
5. Past Projects Completed
6. Assumptions
7. Updated Model Contract
 - a. Using the Exhibit A template (Attachment 2-B), include revised Exhibit A with updated Statement of Work
 - i. Understanding and Description of the Tasks to be Performed (Work Plan)
 - b. Costs: Include revised Exhibit B with Cost Worksheet (Attachments 2-C and 2-D)
 - c. Include Exhibits C, D, and E (Attachment 2-E through G) with track changes to Terms and Conditions. Submission of these Exhibits without track changes implies an acceptance to those Terms and Conditions.

4.1 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.

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 shall include the following Administrative Requirements in this order:*

1. A cover letter signed by a person authorized to bind the company which also includes the company’s certification number(s) for SB and/or DVBE (if applicable).
2. A Certificate of Liability Insurance equal to or greater than \$1,000,000.
3. Proof of Workers’ Compensation Liability Insurance.
4. A signed Payee Data Record form STD. 204 available at: www.documents.dgs.ca.gov/osp/pdf/std204.pdf.
5. A signed Federal Debarment Certification (Attachment 1-B).

6. A completed certification form showing, upon award of the contract, the Bidder/Contractor agrees to provide a completed Title 22, California Code of Regulations 1230000 Statement of Economic Interests, Form 700 (Attachment 1-C).
7. A completed Darfur Contracting Act Certification (Attachment 1-G).
8. Bidder Declaration (Attachment 1-I)

4.3 Technical Requirements

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

4.3.1 Understanding and Approach

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

4.3.2 Corporate Qualifications Summary

Describe and provide examples of the company's overall organizational capability and resources as they relate to the general requirements set forth in this RFP's Scope of Work (SOW), including the following (maximum of five pages):

1. Ability to manage the project and the risks involved with the project.
2. Ability to complete projects on time and within budget.
3. Ability to provide quality deliverables.
4. Evidence of the firm's experience performing the services outlined in this solicitation, including the total number of years the firm has been providing the services outlined in the SOW.

4.3.3 Engagement Team Qualifications

Describe the qualifications of each of the members of the proposed engagement team. Identify the role that each member is expected to play and describe the experience, education, knowledge, and skills each member possesses as it relates to their proposed role.

Bidder must identify the key staff that will be the point of contact for Covered California and the percentage of time that staff will be dedicated.

4.3.4 Resumes

Provide a resume of the relevant experience for each contractor staff person proposed. For each experience citation provided on a resume, the resume must include:

1. Total Duration: Indicate the start (month/year), end (month/year), and duration (total number of years and months) for each job experience submitted;
2. Description of Specific Experience: A complete description of the relevant experience, including identification of the client, name of the project, roles and responsibilities of the individual, and types of services provided by the individual.

4.3.5 Past Projects Completed

Describe in a narrative no more than five (5) projects your corporation has completed in the last two years that relate to the tasks listed in the SOW.

4.3.6 Assumptions

Document any assumptions the Contractor is making about the SOW, the responsibilities of the Contractor and Covered California, and any other issues that are relevant to the Contractor's Offer and ability to do the work for the proposed cost. (Maximum of five pages)

4.3.7 Model Contract Response

The template for the model contract portion of the response is contained in Attachment 2. The Bidder will provide an updated statement of work using the tasks identified in Section 3 using track changes on Attachment 2-B.

Include a description of your understanding of the statement of work (Section 3). Emphasize your understanding of Covered California's objectives and the major activities that must be performed to complete the work. Describe the activities you will perform to complete the required work. Include your expectations of all entities outside your own team.

Provide a high-level work plan for this effort. The work plan must identify major activities, estimated start and end dates, and deliverable milestones. At a minimum, the work plan must map each primary task to a deliverable. The response must include any additional information that the Contractor deems necessary to explain how the Contractor intends to meet Covered California's requirements. Include the following as appropriate:

1. Overview of the required tasks and outcomes.
2. Description of how the tasks will be performed.
3. Work plan for each task.
4. Samples of work from other projects, or outlines of what deliverables are proposed for the required tasks.

Exhibit B is the budget and payment provisions portion of the contract. Using the cost worksheet, Attachment 2-D, provide costs by fiscal year in a table consistent with the one shown in Attachment 2-D. Responses shall not exceed the total costs listed in Section 1.4. Responses that exceed the total costs listed in Section 1.4 will not be considered for selection. Provide the cost per hour to be used as the basis for any

additional work, should the agreement be amended as described in the General Provisions section of this RFP.

1. The Cost Worksheet has been provided as a Microsoft Word Document. Contractors are to complete the Worksheet using the provided template. List the tasks and deliverables outlined in your work plan. Identify each resource that will be assigned to a task, including the resource's hourly rate, the estimated number of hours that the resource is expected to expend on the task, and total cost.

Each primary task is expected to result in one or more deliverables, but many sub-tasks may not be associated with a specific deliverable.

Exhibits C, D, and E are the standard terms and conditions between Covered California and all Contractors. Any changes to these terms and conditions should be made with track changes and submitted as part of the bidder's response. Submission of these Exhibits with no changes implies acceptance of these terms and conditions.

5. REVIEW OF FINAL PROPOSALS FOR AWARD/SELECTION CRITERIA

5.1 Written Responses to this RFP will be evaluated in three phases

Phase 1- Administrative Requirements. The Selection Team will review responses to the Administrative Requirements.

Phase 2 –Technical Requirements. Review of the understanding and approach, corporate qualifications, engagement team qualifications, resumes, and past projects completed.

5.2 Interviews

After Phase 2, interviews may be conducted with up to three 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.

5.3 Evaluation Criteria

Evidence of extensive previous experience in similar complex, short deadline efforts will receive significant consideration in the evaluation process, as will demonstrate 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:

Criteria	Weight	Total Points
Minimum Qualifications	Pass/Fail	Pass/Fail
Administrative Requirements	5%	25
Understanding and Approach	20%	100
Corporate Qualifications	20%	100
Engagement Team Qualifications and Resumes	5%	25
Past Projects Completed	20%	100
Cost	30%	150
Totals		500

Preference Programs if applicable	Points
Small Business	15
DVBE Participation 5% or Over	15
DVBE Participation 4% to 4.99% inclusive	12
DVBE Participation 3% to 3.99% inclusive	9
DVBE Participation 2% to 2.99% inclusive	6
DVBE Participation 1% to 1.99% inclusive	3

The response that is most highly rated after applying the weighted evaluation criteria described above shall be recommended for selection. 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.

Covered California Evaluation Team will evaluate Bidder proposals across the four areas of requirements using the Evaluation Model present in Section 5.4:

1. Understanding and Approach: Scoring of this factor shall be based upon 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 the 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 upon information contained in the Bidder's Understanding and Approach Narrative. The Evaluation Team will consider, in descending order of importance:
 - a. Quality of the Bidder's approach to 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;
 - b. 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
 - c. Demonstrated understanding of the key characteristics of the project in general.
2. Corporate Qualifications: Scoring of this factor will be based upon the Evaluation Team's assessment of corporate resources, capacity, and historical track record as they relate to the Scope of Work. Evaluators will assign scores based upon the bidder's Corporate Qualifications narrative.
3. Engagement Team Qualifications: Scoring of this factor shall be based upon the Evaluation Team's assessment of the breadth, depth, and relevance of each proposed team member's experience and credentials. Evaluators will assign scores based upon information contained in Resumes and Staff Experience Summary Forms. The Evaluation Team will consider, in descending order of importance:
 - a. Demonstrated capacity to successfully assume responsibility comparable to that proposed for the individual in the project engagement;
 - b. Demonstrated capacity to perform at a high level in multiple areas of project management;
 - c. General breadth and extent of experience, as indicated by the number of projects, and duration of individual involvement in each;
 - d. Relevance of experience as indicated by the scope and subject matter of project experience; and
 - e. Relevance of education, training, and certifications.
4. Past Projects Completed: Scoring of this factor will be based upon the Evaluation Team's assessment of the breadth, depth, and relevance to the Scope of Work requirements, as well as corporate resources and capacity as indicated by the characteristics projects previously completed. Evaluators will assign scores based upon information contained in the Past Projects Completed narrative.

5.4 Evaluation Model

The evaluation team will assign a score for each technical 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	5
Good	Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	4
Acceptable	Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	3
Marginal	May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses or deficiencies	Significant	Significant	Poor	2
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	1

Cost Score

Cost (300 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 (300), 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	\$400,000	$\frac{\$300,000}{\$400,000} \times 300$	225
B	\$350,000	$\frac{\$300,000}{\$350,000} \times 300$	257
C	\$300,000	$\frac{\$300,000}{\$300,000} \times 300$	300

6. PREFERENCE PROGRAMS

6.1 Small Business Preference

Small Business Regulations: This RFP does not include a minimum Small Business (SB) participation preference. However, bidders are encouraged to sub-contract with SB.

1. Small Business Preferences: Bidders claiming the 5% preference must be certified by California as a small business or must commit to subcontract at least 25% of the net bid price with one or more California Certified Small Businesses (CCSB). Certification must be obtained no later than 5:00 p.m. on the bid due date.

Section 14835, et seq. of the California Government Code (GC) requires a 5% preference be given to bidders who qualify as a SB. The rules and regulations of this law, including the definition of a small business for the delivery of goods and services, are contained in California Code of Regulations (CCR's), Title 2, Section 1896, and et seq. The SB preference is for California-based Certified SB only.

To claim the CCSB preference, which may not exceed 5% for any bid, the firm must have its principal place of business located in California, have a complete application (including proof of annual receipts) on file with the State Office of Small Business and DVBE Services (OSDS) by 5:00 p.m. on the bid due date (see Section 1.2) and be verified by such office.

6.2 Disabled Veteran Business Enterprise (DVBE) – Declaration & Program Incentive

This RFP does not require bidders to meet the minimum DVBE participation percentage or goal. However, a bidder must complete and submit the **Bidder Declaration – Attachment 1-I** with its proposal package. Failure to complete and submit the required attachment as instructed may render the bid non-responsive. Pursuant to Military and Veterans Code Section 999.2, each State department has a participation goal of not less than 3% for disabled veteran business enterprises. These goals apply to the overall dollar amount expended each year by the awarding department.

6.2.1 Commercially useful function

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs who perform a Commercially Useful Function (CUF) relevant to this solicitation may be used to satisfy the DVBE participation goal. The criteria and definition for performing a CUF are below. When responding to this RFP, bidders will need to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility.

CUF Definition California Code of Regulations, Title 2, § 1896.61(l): The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing CUF.

As defined in Military Veterans Code §999, a person or an entity is deemed to perform a "CUF" if a person or entity does **all** of the following:

1. Is responsible for the execution of a distinct element of the work of the contract.
2. Carries out the obligation by actually performing, managing, or supervising the work involved.
3. Performs work that is normal for its business services and functions.
4. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a CUF if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DVBE participation.

Attachment 1

- 1-A: Proposal Checklist
- 1-B: Federal debarment, suspension, ineligibility and voluntary exclusion – certification
- 1-C: FORM 700 Statement of Economic Interest Certification
- 1-D: Staff Experience Form
- 1-E: Bidder Instructions
- 1-F: Payee Data Record
- 1-G: Darfur Certification
- 1-H: DVBE Declaration
- 1-I: Bidder Declarations

Attachment 2

- 2-A: Standard 213
- 2-B: Exhibit A – Scope of Work
- 2-C: Exhibit B – Budget Provisions
- 2-D: Exhibit B – Attachment 1, Cost Worksheet
- 2-E: Exhibit C – General Terms and Conditions
- 2-F: Exhibit D – Special Terms and Conditions
- 2-G: Exhibit E – Additional Provisions