

**California Health Benefit Exchange**

**Contract Solicitation – HBEX3-Bid Extension**

**Recruitment Services for Exempt Executive Level Positions**

**Under the Level I Establishment Grant**

**December 23, 2011**

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# California Health Benefit Exchange Contract Solicitation – HBEX3 Recruitment of Executive Positions

**1. INTRODUCTION:**

This notice provides important information regarding the California Health Benefit Exchange’s interest in selecting, through this contract solicitation, one or more highly qualified firms to assist the Exchange in the recruitment and selection of a number of exempt executive level positions. These high level positions will be necessary to build the Exchange into a fully operational, federally qualified health exchange ready to provide access to quality health insurance to eligible Californians by January 1, 2014.

Proposers are invited to review and respond to this solicitation. The term “proposer” and “vendor” shall be used interchangeably within this solicitation document. To submit a proposal to provide consulting services, as set forth in the Statement of Work (refer to Section 5), proposers must:

- Comply with the instructions contained in this document;
- Meet the minimum qualification requirements; and
- Comply with the basic requirements specified in the Statement of Work.

Please read this document carefully. Make sure you respond to the solicitation by the due date. Please refer to the “Key Action Dates” shown below in Section 3.

**2. CONTRACT TERM AND TOTAL CONTRACT VALUE:**

Contract Term	Total Contract Award Value:
2/15/2012 – 6/30/2012	Not to exceed \$300,000 <i>(Three-hundred thousand dollars and zero cents)</i>

**3. KEY ACTION DATES:**

Important Key Action Dates (Subject to Change)	
Re-Release of Solicitation	December 22, 2011
Proposals Due from Vendors	January 12, 2012 (by 5:00 p.m. PDT)
State Evaluation, Negotiations and Vendor Selection Process	January 16, 2012 through January 30, 2012

<b>Important Key Action Dates (Subject to Change)</b>	
Notification of Intent to Award	January 31, 2012
Last Day to Protest Selection	February 10, 2012 <i>(Date the protest must be received by the Exchange.)</i>
Contract Award and Execution	February 15, 2012 <i>(Assumes no protest. A protest will delay this event.)</i>

**4. 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. (Chapter 655, Statutes of 2010-Perez and Chapter 659, Statutes of 2010-Alquist.) The California state law is referred to as the California Patient Protection and Affordable Care Act (CA-ACA).

Starting in 2014, the California Health Benefit Exchange will be offering a state-wide health insurance exchange to make it easier for individuals and small businesses to compare plans and buy health insurance in the private market. Although the focus of the Exchange will be on individuals and small businesses who qualify for tax credits and subsidies under the ACA, the Exchange's goal is to make insurance available to all qualified individuals and to all California businesses with less than 100 employees.

The goals and objectives of the California Health Benefit Exchange 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.

The Exchange 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.

The Exchange 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 Exchange was originally funded through a \$1 million federal planning grant and is now funded through a recently approved \$39 million federal Level I Establishment Grant for administrative and consultant services. Although the Exchange is a state government agency, the CA-ACA exempts the Exchange from using the civil service system to set executive level salaries or select executive level staff. The Exchange has been managed and staffed through temporary contracted management, employees on loan from other state agencies, and retired annuitants. The Exchange is now building levels of more permanent management and staff.

The Exchange has already engaged a contractor, Towers Watson Delaware, Inc., to assist in setting executive level salaries. The Exchange has also engaged a public joint powers agency, CPS Human Resource Services, to assist in the recruitment and selection of a permanent Executive Director and a Chief Counsel. The Executive Director has been selected and he took office on October 17, 2011. In addition the Exchange has hired the Chief Counsel, Chief Operations Officer, Director for Eligibility and Enrollment and Director for Legislation and Public Affairs

The Exchange is interested in selecting one or more additional executive recruitment firms with focused experience with executives in the health provider or health insurance fields, to recruit for the following exempt executive level positions:

1. Chief Financial Officer;
2. Chief Technology Officer;
3. Director of Small Business Sales and Marketing
4. Director of the Small Business Health Options Program (SHOP) Exchange;
5. Director of Health Plan Contracting;
6. Director, Public Relations and Communications;
7. Director of Individual Sales and Marketing; and

Brief Job Descriptions of these positions are contained in **Attachment 5** and full position descriptions are available on the California Health Benefit Exchange website.

The Exchange is keeping open the option of starting the recruitments all at once, or a staggered basis.

The Exchange recently managed a solicitation process and received two qualified proposals, but we are interested in getting additional proposals to compete with the two already received. **The previous bidders may remain in the competition by resubmitting their full proposals by the due date, updated to include strategies and costs for recruitment of the revised list of positions.**

## **5. STATEMENT OF WORK:**

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

- A. The Contractor shall review key documents about the role of exchanges under the ACA, and California's Exchange in particular. This should include at a minimum, the ACA and CA-ACA statutes, California's Planning Grant and Level I Establishment Grant;
- B. The Contractor shall conduct an in depth meeting or meetings with Exchange management staff to jointly develop timelines, goals, priorities and expectations for the recruitment processes and to assist the Exchange to develop pertinent and effective questions, exercises and techniques to be used by Exchange staff in the interviews of top candidates;
- C. The Contractor shall develop a recruitment strategy, position profiles and marketing materials for each of the positions, based on the initial research and in depth meetings, for review and approval by the Exchange;
- D. The Contractor shall start implementing the approved strategy through nationwide advertising for the positions;
- E. The Contractor shall screen candidate resumes based on the Exchange's goals and expectations and interview the most viable candidates, in person or remotely, to develop a final list of top candidates for the Exchange's consideration. The Contractor shall complete background and reference checks for the final list of top candidates;
- F. The Contractor shall assist the Exchange in scheduling interviews and, if necessary, follow-up interviews; and
- G. It is the primary objective of the Exchange is to have all remaining executive positions selected no later than April 30, 2012.

**6. ADDITIONAL INFORMATION:**

- Additional information, regarding the California Health Benefit Exchange is available on our website at: [www.healthexchange.ca.gov](http://www.healthexchange.ca.gov)
- The enabling California state law, which enacted a California Health Benefit Exchange (CA-ACA,) may be located at: [www.healthexchange.ca.gov](http://www.healthexchange.ca.gov)
- California Health Benefit Exchange Level I Establishment Grant may be located at:  
[www.healthexchange.ca.gov/Grants/Pages/GrantInformation.aspx](http://www.healthexchange.ca.gov/Grants/Pages/GrantInformation.aspx)
- The proposed federal regulations impacting the Exchange are located at:  
[www.healthcare.gov/center/regulations/index.html](http://www.healthcare.gov/center/regulations/index.html)
- Other Helpful Websites:
  - [www.healthcare.gov](http://www.healthcare.gov)
  - [cciio.cms.gov](http://cciio.cms.gov)
  - [www.mrmib.ca.gov](http://www.mrmib.ca.gov)
  - [www.dhcs.ca.gov](http://www.dhcs.ca.gov)
  - [www.dmhc.ca.gov](http://www.dmhc.ca.gov)
  - [www.insurance.ca.gov](http://www.insurance.ca.gov)

**7. CONTACT PERSON:**

The contact person for this solicitation is Dennis Gilliam, Contracts Administrator. Mr. Gilliam may be contacted via e-mail at [HBEXSolicitation@hbex.ca.gov](mailto:HBEXSolicitation@hbex.ca.gov) **or** by telephone at (916) 263-0743.

During the solicitation process, all inquires regarding this solicitation shall be directed to Mr. Dennis Gilliam, who will coordinate responses with other Exchange staff. When submitting inquiries, proposers must reference this solicitation number (i.e. HBEX3). **The last day to submit inquiries is January 5, 2012 (at 5:00 p.m. PDT).** Responses to inquiries will be posted on the Exchange's website at [www.healthexchange.ca.gov](http://www.healthexchange.ca.gov) .

**8. CONTRACTING PROCESS:**

Enabling statues exempt the Exchange from certain provisions of the state law related to competitive bidding. The Exchange is committed to assuring a fair, open and rigorous competition for the award of this contract and will use a competitive negotiation process to select a Contractor. **The competitive negotiation process is not a Request for Proposals (RFPs).** Rather, it is a dynamic competitive process through which the Exchange can evaluate and test, through a negotiation process, the strengths and weaknesses of the vendors and their proposals, and make a final selection based on the criterion contained in this solicitation document. The goal of the process is to negotiate the maximum levels of services available for a competitive price and for the Exchange to obtain the overall best value.

In the competitive negotiation process, all proposers are encouraged to offer their best method of how to provide services in order to achieve the Exchange's desired outcomes and make use of their best individual business practices. The Exchange reserves the right to:

- Accept proposals as submitted;
- Award to more than one proposing vendor;
- Right to reject a part or all of a proposal; and/or
- Right to reject all proposals.

Proposers, who have demonstrated their ability and experience in developing and creating a comprehensive executive recruitment strategy with a competitive price, may be asked to enter into negotiations with the Exchange to discuss and provide further information on any business practices, business solutions proposed by the vendor to the Exchange, and/or improvements to the vendor's submitted proposal. Proposers shall be invited to enter into negotiations with the Exchange at the sole discretion of the Exchange.

Vendors may subcontract with other entities to provide services under this contract. The use of any subcontractor must be fully explained in the vendor's proposal. Any and all subcontracts entered into by the Contractor for the purpose of meeting the requirements of the contract are the responsibility of the Contractor. The Exchange will hold the Contractor responsible for assuring that subcontractors meet all of the requirements of the negotiated contract for services.

**9. CONFLICT OF INTEREST FOR SELECTED CONTRACTORS:**

**A. Individual Consultants Performing Services Under this Agreement:**

- 1) Consistent with Government Code Section 19990, a Contractor is prohibited from performing work other than under the Agreement that is related to or of the same or similar subject matter as the responsibilities described in the Statement of Work, including, but not limited to, health insurance and information technology, during the term of the Agreement. A Contractor furthermore is prohibited from performing work for any individual or entity other than the California Health Benefit Exchange, whose business substantially involves matters related to or of the same or similar subject matter as the California Health Benefit Exchange's operations, including, but not limited to, health insurance and information technology, during the term of the Agreement.
- 2) Consistent with Government Code Section 87401, a Contractor is prohibited from receiving compensation for acting as agent for any person before the California Health Benefit Exchange in a judicial or quasi-judicial proceeding if the Contractor personally and substantially participated in the proceeding in the Contractor's official capacity.
- 3) Consistent with Government Code Section 87406(d), for one year following the termination of the Agreement, a Contractor is prohibited

from receiving compensation to act as agent for any person before the California Health Benefit Exchange in a judicial or quasi-judicial proceeding for the purpose of influencing administrative action.

- 4) Consistent with Public Contract Code Section 10411, for two years following the termination of the Agreement, a Contractor is prohibited from entering into a contract with the California Health Benefit Exchange in which the Contractor engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision making process relevant to the contract while performing services under the Agreement. Furthermore, for one year following the termination of the Agreement, Contractor is prohibited from entering into any contract with the California Health Benefit Exchange, other than renewal or extension of the Agreement or a personal services consulting contract similar to the Agreement.

**B. Consulting Firms:**

Consistent with the Public Contract Code Section 10515, no person, firm or subsidiary who has been awarded a consulting services contract may submit a bid, nor be awarded a contract, for the provision of the services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the product of the consulting service contract. This does not apply if:

- 1) Any person, firm, or subsidiary is awarded a subcontract of a consulting services contract that amounts to no more than 10 percent of the total monetary value of the consulting contract; or
- 2) Any person, firm, or subsidiary awarded a consulting services contract by a University of California medical center when the provision of service, procurement of goods or supplies, or any related action required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract is necessary to avoid a competitive disadvantage in the hospital industry, improve patient care, protect the privacy of the patient information, or avoid significant delay and additional expense.

- C. All financial, statistical, personal, technical, and other data and information related to the California Health Benefit Exchange's operations that are not publicly available and that become available to Contractor shall be protected by Contractor from unauthorized use and disclosure. Contractor agrees that Contractor shall not use any non-public information for any purpose other than carrying out the provisions of the Agreement.

**10. DARFUR CONTRACTING ACT CERTIFICATION:**

**All proposers must address the requirements of the Darfur Contracting Act of 2008** for the reason described in the Public Contract Code Section 10475. **Complete and sign Attachment 4.** Any scrutinized companies are ineligible to, and cannot, submit a proposal for contract with a State agency for goods or services. A scrutinized

company is defined in the Public Contract Code Section 10476. However, proposals may be submitted by scrutinized companies if permission is obtained first from the Department of General Services, according to the criteria set forth in the Public Contract Code Section 10477(b).

## **11. EVALUATION AND SELECTION CRITERION:**

The Exchange will select a vendor based on an assessment of the best overall value to the Exchange. The Exchange is not required to select the lowest priced proposal submitted. The Exchange will review responses to this solicitation in their entirety, using the following factors as noted below.

The Exchange will accept proposal only from vendors who meet the following minimum qualifications. This will be determined through a review of both the vendor's past experience and the experience of key individuals who will be working on the project.

### **A. Minimum Qualifications:**

- Experience in the recruitment of health care executive level staff for organizations providing direct delivery of health care services or health insurers; and
- Experience in selecting executive level staff for any programs at the federal, state or local level, or for non-profit organizations.

### **B. Desirable Qualifications:**

- Experience in the recruitment of executive level staff for government agencies at the federal, state or local levels, whose primary responsibility is the delivery of health care programs; and/or
- Experience in the recruitment of executive level staff in the health insurance and delivery of health services in the California market.

### **C. Approach and Methodology for Tasks Specified in the Statement of Work:**

- Demonstrated understanding of the specific and unique needs of establishing executive staffing at a Health Benefit Exchange under the ACA;
- Demonstrated originality, practicability and feasibility in the proposer's approach to executive recruitment, using the Solicitation's Statement of Work as a baseline; and
- Demonstrated ability to successfully develop and implement a recruitment plan and process for each of the positions listed in the Statement of Work (refer to Section 5), within a time frame that is both adequate and timely.

### **D. Proposed Project Cost:**

**This solicitation requires that payment be made through a fixed fee for each recruitment, rather than the customary percentage of final salary. The**

fees may vary from position to position, based on the vendor's perceived difficulty in recruiting for that position. Vendors will be asked to explain how each fee was developed including efficiencies that may be realized for recruiting positions with similar qualifications. Project cost will be evaluated as follows:

- Demonstrated reasonableness in the ability to explain how each fixed fee was developed and determined, including the appropriate level of staffing for the project, as reflected in the **Cost Proposal Format, Attachment 1**; and
- The overall proposed cost for the entire recruitment project. (Note: The overall proposed cost does not include the costs for position candidate travel, which will be estimated during the final negotiations and added to the awarded contract or contracts.)

**12. PROTEST PROCESS:**

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 the evaluation and selection criteria (in Section 11 of this solicitation document) and the proposer believes the Exchange 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 the California Health Benefit Exchange'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. Protests must be mailed or delivered by 5:00 p.m. on February 10, 2012 to:

<b>Street Address:</b>	<b>Mailing Address:</b>
California Health Benefit Exchange Contracts Administrator 2535 Capitol Oaks Drive, Suite #120 Sacramento, CA 95833	California Health Benefit Exchange Contacts Administrator 2535 Capitol Oaks Drive, Suite #120 Sacramento, CA 95833

**13. PROPOSAL FORMAT AND CHECKLIST:**

Proposals **must be received** by the Exchange at the address listed in Item 12 above, and are due on **January 12 (by 5:00 p.m. PDT)**. Vendors must ensure that their proposal complies with the instructions contained in this solicitation document. Materials submitted by proposed vendors will be kept confidential to the extent provided by law.

When submitting proposals, vendors must assure that five (5) separately bound copies of their proposal are received by the Exchange. Proposals must be completely sealed and mailed or delivered to:

Late proposals **will not** be accepted.

A. Cover Letter (Maximum 1 Page):

Include a cover letter (on company letterhead) with the following information:

- 1) Proposer's company name, mailing address and telephone number;
- 2) Name, telephone number, fax number, e-mail address, and title of a contact person;
- 3) Title of this solicitation;
- 4) Federal Tax Identification Number;
- 5) If the proposer is a Disabled Veteran Business Enterprise (DVBE) or State Certified Small Business (CSB), include their Certification Number and expiration date. However, no preference points for being a certified DVBE or CSB will be given to the proposer;
- 6) Submission date of the proposal; and
- 7) Signature of an individual authorized to enter into contracts on behalf of the proposer.

B. Vendor Qualifications & References (Maximum 25 pages):

- 1) Provide an overall description of the proposer's organization, the date the organization was established, type of ownership, location of headquarters, and major offices in California (if applicable), and number of employees in the organization;
- 2) Describe the proposer's understanding and knowledge of the goals and objectives of the California Health Benefit Exchange and its role in implementing the ACA at the State level;
- 3) Describe the proposer's experience with executive recruitment in the health care services delivery and/or health insurance;
- 4) Describe the proposer's experience in recruiting executive staff for federal, state or local programs, or for non-profit agencies;
- 5) If applicable, describe any experience in the recruitment of executive level staff for government agencies at the federal, state or local levels, whose primary responsibility is the delivery of health care programs;
- 6) If applicable, describe any experience in the recruitment of executive level staff in the health insurance and delivery of health services in the California market;

- 7) Provide a chart describing the organization's structure and a statement where the project staff fit into the structure;
- 8) Identify the key personnel who will work on this project. Include resumes for each key person, describing their experience and tenure that qualifies them to work on this contract (See Item 13.C. below on the submission of resumes);
- 9) Describe, to what extent, the key personnel will be available and accessible;
- 10) Provide three (3) references who are knowledgeable about the proposer's work on current or recent contracts. The references should be selected for contracts that are related to executive recruitment in the health care industry and for those tasks for which the Exchange is seeking services. Provide the following information for each reference:
  - a) Name, title, address, telephone number, and e-mail address; and
  - b) Brief description of the type of services performed.
- 11) If the proposer was a previous or is a current Contractor with the State of California, provide the following information noted below for contracts from the prior three (3) years:
  - a) Contracting State of California department's name;
  - b) Contract term date (i.e. start and end dates);
  - c) Contract Number;
  - d) Summary of services performed and provided; and
  - e) Contract amount.

C. Key Personnel Resumes (Maximum of 5 Pages for Each Individual):

Provide resumes of key personnel who will provide the services contained in the Statement of Work. The resumes should clearly demonstrate that the person possesses the experience and knowledge required to execute the tasks and develop the deliverables specified in the Statement of Work. The resume should contain the individual's academic and professional achievements, as well as participation and affiliation with any professional organizations.

D. Use of Subcontractors (Maximum 5 pages):

List and provide a summary of all subcontractors that will be used for this Contract. Include the following information on each proposed subcontractor:

- 1) Name and address of the subcontractor and the name, telephone number and e-mail address of the subcontractor's main contact person;
- 2) Brief description of which tasks or projects the subcontractor will perform, or assist in performing, and how the subcontractor will be a benefit and value for the task or project;

- 3) Brief description of the subcontractor's background and experience and resumes of the subcontractor's key staff assigned to the project;
- 4) Estimated cost of each subcontractor for the proposed tasks or projects, based on actual prices quotes or negotiations with the proposed subcontractor; and
- 5) If the proposed subcontractor is a Disabled Veteran Business Enterprise or State Certified Small Business, include their Certification Number and expiration date.

*E. Approach and Methodology to Perform Services in the Statement of Work and Project Timeline (Maximum 20 pages):*

- 1) Describe the proposer's detailed approach, in achieving and accomplishing the tasks needed by the Exchange, as set forth in this solicitation document and the Statement of Work;
- 2) Describe, in detail, any other alternative, service expansion, innovative and creative approaches in improving the concepts and strategies which were originally identified in the Statement of Work; and
- 3) Develop a detailed timeline or work plan which identifies key milestones and tasks that need to be performed for the Exchange to have selected the executive level positions no later than **April 30, 2012**.

*F. Project Cost:*

Identify the fixed fee for each recruitment position. The fees may vary from position to position, based on the vendor's perceived difficulty in recruiting for that position. Provide explanation and summary of how the fixed fee for each position was developed and determined. When submitting the Project Cost, use the format shown on **Attachment 1**.

*G. Signed Contractor Certification Clauses (CCC-307):*

A completed and signed Contractor Certification, which certifies that the vendor is in compliance with State required Contractor Certification Clauses. This must be signed by a person authorized to sign contracts, preferably the individual signing the cover letter. This is **Attachment 2**.

*H. Certification regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions*

A completed and signed Certification is required as a condition for receiving Federal Funding. This is **Attachment 3**.

*I. Darfur Contracting Act Form:*

A completed and signed Darfur Contracting Act Form is required as a condition to submit a proposal. This must be signed by a person authorized

to sign contracts, preferably the individual signing the cover letter. This is **Attachment 4.**

# **ATTACHMENTS**

## Contract Solicitation– HBEX3 Attachment 1 Proposal Cost Format

**A. Itemized Projected Costs for Recruitment for Each Executive Level Position:**

Identify the fixed fee for each Executive Level Position. The fixed fees may vary from position to position, based on the vendor’s perceived difficulty in recruiting for that position.

Executive Level Position:	Fixed Fee:
Chief Financial Officer	\$
Chief Technology Officer	\$
Director of the Small Business Health Options Program (SHOP) Exchange	\$
Director of Health Plan Contracting	\$
Director, Public Relations and Communications	\$
Director of Individual Sales and Marketing	\$
Director of Small Business Sales and Marketing	\$
<b>Total Proposal Cost:</b>	\$

**B. Explanation and Summary of Fixed Fee for Each Position:**

Provide explanation and summary of how the fixed fee for each position was developed and determined. In the explanation and summary, identify the appropriate level of staffing for the position’s recruitment process, and if applicable, the administrative overhead rate, and cost for each subcontractor.

1. Administrative Overhead Rate:

If applicable, list as a percentage the overhead rate for all services that are included in the fixed fee for each position and explain what these services include.

2. Estimated Cost for Each Subcontractor:

**Contract Solicitation– HBEX3  
Attachment 1  
Proposal Cost Format**

If applicable, list and identify the cost (as a percentage) of each subcontractor that is included in the fixed fee for each position. This should be based on an estimated cost actively negotiated or bid between the vendor and proposed subcontractor.

**Contract Solicitation – HBEX3  
Attachment 2  
Contractor Certification Clauses (CCC-307)**

**CCC-307**

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County of</i>

**A. CONTRACTOR CERTIFICATION CLAUSES**

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

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Attachment 2  
Contractor Certification Clauses (CCC-307)**

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or

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Contractor Certification Clauses (CCC-307)**

exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

b. The Contractor agrees to cooperate fully in providing reasonable access to the Contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Contractor's compliance with the requirements under paragraph (a).

7. **DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the Contractor certifies that Contractor is in compliance with Public Contract Code Section 10295.3.

**DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

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If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC 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.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

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Contractor Certification Clauses (CCC-307)**

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

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Attachment 3  
Certification Regarding Debarment, Suspension, Ineligibility and Voluntary  
Exclusion – Lower Tier Covered Transactions**

**OVERVIEW**

In accordance with 45 CFR Part 76, State contractors who receive federal funds must certify at the time of submitting a contract proposal, that they are not debarred or otherwise excluded by the Federal government from receiving federal funding. Under this federal rule, entities who contract with the State and who are being considered for federal funding are considered to be "lower tier participants" by the federal government. Subcontractors who will receive federal funding, through the contract are also considered to be "lower tier participants".

After reading the instructions on the next page, the person authorized to submit the proposal must sign the certification and include it in the proposal package by the due date in the proposal solicitation letter. Proposals not containing the certification will not be considered for an award.

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Attachment 3  
Certification Regarding Debarment, Suspension, Ineligibility and Voluntary  
Exclusion – Lower Tier Covered Transactions**

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this certification as part of this proposal, the prospective lower tier participant, is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances, including but not limited to suspension, debarment, or exclusion from participation in any federally-funded health care program following its previous certification.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals.

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Exclusion – Lower Tier Covered Transactions**

Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

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Attachment 3  
Certification Regarding Debarment, Suspension, Ineligibility and Voluntary  
Exclusion – Lower Tier Covered Transactions**

- (1) The prospective lower tier participant certifies, by submitting this proposal and signing below, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency, or is excluded as the result of state or federal action from participation in any federally-funded health care program.
  
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Name of Prospective Contractor

**Contract Solicitation – HBEX3  
Attachment 4  
Darfur Contracting Act Form**

Pursuant to Public Contract Code Section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a “scrutinized” company as defined in Public Contract Code Section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i>	

1. \_\_\_\_\_ We do not currently have, and have not had within the previous  
Initials three years, business activities or other operations outside of the United States.

**OR**

2. \_\_\_\_\_ We are a scrutinized company as defined in Public Contract Code  
Initials Section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code Section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

**OR**

3. \_\_\_\_\_ We currently have, or we have had within the previous three years,  
Initials business activities or other operations outside of the United States,  
+ certification but we certify below that we are not a scrutinized company  
below as defined in Public Contract Code Section 10476.

**CERTIFICATION For # 3.**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

**Contract Solicitation – HBEX3**  
**Attachment 5**  
**Executive Level Position Job Descriptions**

**Chief Financial Officer:** Reporting to the Executive Director, the Chief Financial Officer (CFO) will be responsible for managing and administering the overall financial activities of the California Health Benefit Exchange (the Exchange). As a key member of the Executive Management team, the CFO will report to the Executive Director and assume a strategic role in the overall management of the Exchange. The CFO will have primary day-to-day responsibility for planning, implementing, managing and controlling all financial-related activities of the Exchange, including direct responsibility for accounting, finance, forecasting, budgeting and related government compliance. Additionally, the CFO will provide executive leadership on the design and implementation of state receipt of premium payments, government funds, corporate gifts, grants and funds provided into the California Health Trust Fund.

**Chief Technology Officer:** Reporting to the Chief Operations Officer, the Chief Technology Officer is responsible for the overall design, development and execution of California's Health Benefit Exchange information technology (IT) systems and programs. The Chief Technology Officer oversees the planning, development, implementation, maintenance and operational activities for the Exchange's information technology systems. In addition, the Chief Technology Officer represents the information technology projects with stakeholders, including state and federal government agencies, vendors, and users of the systems.

**Director SHOP Exchange:** Reporting to the Executive Director, the Director, Small Business Health Options Program (SHOP), is responsible for design, development and implementation of employer group coverage, designed for small employers, including those eligible for the federal small business tax credit and their employees and dependants. The Small Business Health Options Program will assist qualified small employers in purchasing insurance coverage that is affordable, simple to use and in facilitating the enrollment of employees into qualified health plans.

**Director of Health Plan Contracting:** Reporting to the Executive Director, the Director, Health Plan Contracting is responsible for the overall design, development and execution of California's Health Benefit Exchange health plan contracting, budget design and ongoing plan monitoring processes for both individual and small employer products.

**Director of Public Relations and Communications:** Reporting to the Executive Director, the Director, Public Relations and Communications, provides executive leadership for the ongoing public information and public affairs functions for the Exchange. The Director develops, directs and facilitates the strategic leadership, management and overall direction of communication processes and programs that advance and support the Exchange and manages statewide outreach efforts to

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**Attachment 5**  
**Executive Level Position Job Descriptions**

stakeholders who are integral to the successful implementation of the Exchange mission. The Director develops, coordinates, and implements policy to affect the two-way communication with stakeholders and other governmental entities on a variety of high profile issues and is the spokesperson for the Exchange, responding to inquiries from public organizations, news media, or individuals. The Director prepares reviews and edits organizational media including: articles, reports, correspondence, and briefing materials to ensure consistency with key messages and overall effectiveness.

**Director of Individual Sales and Marketing:** Reporting to the Director of Communications and Public Affairs, the Director, Individual Sales and Marketing, provides executive leadership for the sales and marketing functions for the individual market for the Exchange. The Director will have oversight of the sales and marketing to individuals and the broad campaign to foster knowledge of an enrollment in the full spectrum of state public health programs.

**Director of Small Business Sales and Marketing:** Reporting to the Director, Small Business Health Options Program (SHOP), the Director, Small Group and Sales Marketing is responsible for the sales and marketing functions designed for small employers, including those eligible for the federal small business tax credit and their employees and dependents. The Small Business Health Options Program will assist qualified small employers in purchasing insurance coverage that is affordable, simple to use and in facilitating the enrollment of employees into qualified health plans.