



**California Health Benefit Exchange
(Covered California)
RFP 2015-22: Health Insurance Market Analysis and
Planning**

December 31, 2015

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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 Action 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:	December 31, 2015
Questions Due Date:	January 7, 2016 by 3:00 PM
Responses Posted By:	January 8, 2016
Proposals Due Date:	January 14, 2016 by 3:00 PM
Interviews:	January 19 – 20, 2016
Notice of Intent to Award	January 22, 2016
Estimated Term Dates:	February 1, 2016 – January 30, 2017

1.3 Contact

Adam Odabashian
California Health Benefit Exchange
E-mail address: HBEXSolicitation@covered.ca.gov

1601 Exposition Blvd.
Sacramento, CA 95815

Nine copies of the Final Proposal are due by the stated deadline to the contact at the mailing address indicated in this section.

1.4 Contract Amount

Responses shall not exceed \$950,000 in total costs. Responses that exceed this amount will not be considered for selection.

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 in 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 or correction of the RFP, shall submit a proposal at their own risk.

1.6 Submission of Final Proposals

- A. 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, completeness and clarity of content.
- B. 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.
- C. 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 as determined by Covered California in its sole discretion. The Final Proposal must contain all items required in the RFP.
- D. 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 a contract. Covered California reserves the right to reject any or all proposals received if Covered California determines that it is in Covered California's best interest to do so. Assumptions made by the Bidder in responding to this RFP do not obligate Covered California in any way.

Additionally, assumptions may make the proposal 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 proposal may be made a part of the resulting Contract.

1.7 Format of Proposals

This RFP requires Bidder(s) to submit a final phase proposal that contains all required Administrative and Technical Attachments and Exhibits and shall be submitted in a sealed envelope or 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) Bidder name and address, and (3) must be marked with "DO NOT OPEN", as shown in the following example:

RFP 2015-22: Market Analysis and Planning
Attention: Adam Odabashian
California Health Benefit Exchange
1601 Exposition Blvd.
Sacramento, CA 95815
DO NOT OPEN

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

Bidder shall submit nine (9) sets of copies for all Administrative/Technical Attachments and Exhibits in the sealed Envelope or Container. In the Bidder's best interest, one (1) set should be titled as being the "Master Copy" and the remaining eight (8) 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.

Proposals not submitted under sealed cover may 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 remain unopened and be maintained by the Contact listed in Section 1.3 separately from proposals that have been timely received.

Proposals received after expiration of the deadline shall not be submitted to the Evaluation Team nor considered except upon written approval of the Chief Deputy Executive Director, or his/her authorized designee, specifying the reason(s) for acceptance and consideration of the proposal(s) received after expiration of the deadline.

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.

- A. 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.
- B. Covered California may at its sole option correct obvious clerical errors.
- C. 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.
- D. 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.
- E. Covered California may modify the RFP prior to the bid submission deadline by the issuance of an addendum to the website.
- F. Covered California reserves the right to reject any bid that does not satisfy the requirements set forth in the RFP. Covered California is not required to award a contract. Before submitting a response to this RFP, Bidders should review, correct all errors, and confirm compliance with the RFP requirements.
- G. 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). Bidders must submit as part of their response any exceptions to the Model Contract that they wish to negotiate. Bidder exceptions must be documented in an attachment labeled "Proposal Contract Exceptions." All Model Contract exceptions must be included in the Bidder Proposal at the time of its submission. No additional exceptions may be presented during contract negotiations.
- H. No oral understanding or contract shall be binding on either party.

1.10 Protest

A protest may be submitted according to the procedures set forth below. If a Bidder has submitted a proposal which it believes to be totally responsive to the requirements of the solicitation process and believes the Bidder should have been selected, according to Section 5.3 - Evaluation Criteria, and the Bidder believes Covered California has incorrectly selected another Bidder for the award, the Bidder may submit a protest of the selection as described below. Protests regarding selection of the "successful Bidder" 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 Bidder, 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 Bidder selection. Protests must be mailed or delivered to:

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

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. 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. Items included within the exemption include, but are not limited to, score sheets and proposals submitted by Bidders for purposes and any evaluation of competing for a contract. Covered California may, at its discretion, waive this exemption.

1.12 Contract 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 contract 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 contract. 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 replacement contractor.

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

1.13 Subsequent Solicitation

At the Covered California’s sole discretion, after the contract award has been made and the contract has been executed, if the contract 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 RFP may respond to the addendum with the modified services.

2. MINIMUM QUALIFICATIONS

2.1 Engagement Team Qualifications

Covered California is seeking a team with experience and knowledge of the markets and processes 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.

To support the market analysis and planning activities of Covered California, the team should demonstrate:

- A. Knowledge of markets and processes outlined in the Scope of Work;
- B. Knowledge of the Affordable Care Act, in particular those areas affecting state-based exchanges;
- C. Understanding of potential impacts from changes in the design or implementation of provisions in the Affordable Care Act;
- D. Knowledge of the California health insurance markets, with particular understandings of the individual and small group markets and how those markets are affected by large employer and public-sector coverage;
- E. Knowledge of the California healthcare delivery system;
- F. Experience conducting market analyses and forecasting of existing and potential new health insurance markets;
- G. Ability and flexibility to satisfy analytical assignments with short deadlines;
- H. Capacity to implement and deliver all elements of the Statement of Work.

2.2 Reassignment of Personnel

- A. The Contractor shall not reassign personnel assigned to the contract during the term of the contract 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.
- B. Substitute personnel shall not automatically receive the hourly rate of the individual or position being replaced. Covered California and the Contractor shall negotiate the hourly rate of any substitute personnel to the contract. The hourly rate negotiated shall be dependent, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the contract.
- C. Covered California reserves the right to request a Contractor employee be removed from performing any work on the contract and upon written notice to the Contractor, the Contractor shall assign a substitute employee.

3. SCOPE OF WORK

3.1 Background

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

The goals and objectives of Covered California are to:

- Reduce the number of uninsured Californians by creating an organized, transparent marketplace for Californians to purchase affordable, quality health care coverage, to claim available federal tax credits and cost-sharing subsidies, and to meet the personal responsibility requirements imposed under the federal act (ACA);
- Strengthen the health care delivery system;
- Serve as an active purchaser, including creating competitive processes to select participating carriers and other contractors;
- Require that health care service plans and health insurers issue coverage in the individual and small 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;
- 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 RFP is to assist the Covered California with its near and long-term financial and business planning to support establishment of the marketplace. The implementation of the ACA ushered in a very dynamic health insurance marketplace which contains many potential risks and opportunities. Covered California must consider how potential future developments could impact its enrollment and present opportunities for further growth.

To enhance its awareness of these factors and to assist its business and financial planning and forecasting processes, Covered California seeks to acquire the services of a team of highly regarded consultants with extensive knowledge of the current state and trends of the individual, small business, employer and public-sector health insurance markets. The Covered California requires the services of seasoned business and economic analysts with experience and expertise in conducting health insurance market analyses, enrollment modeling and short and long-term financial and business planning.

Covered California reserves the right to retain the services of the organization resulting from this RFP to assist with other related activities and projects embarked upon by Covered California during the established contract period, or through a contract amendment.

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 Covered California and previous solicitations, please visit: <http://hbex.coveredca.com/solicitations/>

3.3 Project Tasks

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

A. Statement of Work

This statement of work requires three areas to be completed by the Contractor:

- Research and Analysis
- Planning and Facilitation
- Review and Update

The first area involves research and analysis of the risks and opportunities faced by Covered California. Area II involves facilitation and participation in long-term planning process with Covered California and Area III involves periodic review and update of the research, analyses and planning processes that result from the first two areas.

- i. Area I - Research and Analysis – 60%
 - Research and Analysis – 50%
 - Model Review / Design – 10%

The contractor will identify risks and opportunities to maintain and enhance Covered California's market competitiveness over the next 1-5 years. This is expected to include, but is not limited to, an examination of the following items (the Contractor is encouraged to use its team's knowledge and expertise to further refine and/or develop this list, as appropriate):

- a. Total size and potential enrolled/retained share of Covered California's current markets

- Individual
 - Small business
 - Ancillary (including, but not limited to, dental)
- b. Strategies and prospects for enrolling respectively subsidized and unsubsidized individuals in the individual market
- c. Potential for expansion into new markets
- d. Likelihood and potential impact of changes on individual and small group enrollment due to changes in:
- Macroeconomic factors (unemployment, household income, etc.)
 - State and Federal policy (ACA, Medicaid, etc.)
 - Employer sponsored coverage (use of private exchanges, growth or reductions in employer sponsored coverage, loss of retiree and/or dependent coverage, etc.)
 - Industry business models (payment models, client self-funding, narrow networks, provider-owned plans, distribution channels, etc.)
- e. Best practices of other exchanges in the areas of marketing, information technology, call centers, and plan management, and their applicability, if any, to Covered California. This would include consideration of, but not be limited to, the following:
- Federally Facilitated Marketplace
 - Other state-based exchanges
 - Private exchanges (small or large employer sponsored coverage, Medicare)
- f. Product line or operational changes (technological, financial, marketing, other) that could maintain or enhance Covered California's market competitiveness.
- g. The contractor will critically evaluate the models used by Covered California to develop forecasts, budgets, or other methods of projecting likely enrollment and retention respectively in individual and small group markets in California and provide specific advice and recommendations for enhancements as needed. Based on the recommendations, this may lead to a requirement to develop enrollment, financial, or other models for ownership and use by Covered California to effectively pursue its immediate and long-term plans.
- ii. Area II - Planning and Facilitation – 25%

Concurrent with and subsequent to identification of risks and opportunities in Area I, the Contractor will work with Covered California and facilitate and participate with expert consultation to assist Covered California in its consideration of the implications of risk/opportunities identified and the potential impacts of different scenarios on Covered California's near and long-term planning.

iii. Area III – Review and Update – 15%

The Contractor will periodically review and update some or all of its research, analyses, and tools based on Covered California’s future needs and timetable.

B. Deliverables

- i. The identification of risks and opportunities in Area I will take the form of an initial report delivered to Covered California by the end of March, 2016. At a minimum, the report must identify major risks or opportunities, and quantify the following for Covered California’s current markets (e.g., individual and small group):
 - o Its current, potential, and likely future enrollment and retention, in both likely revenue and membership (with high, medium and low forecasts and the rationale’s to support such estimates)
 - o Identification of potential “competitors” or threats to Covered California
 - o Covered California’s current, potential, and likely future market share, respectively, of the individual and small group insurance markets in California.
 - o The current, potential, and likely future market share of Covered California’s identified competition
 - o Major variables that would be most likely to impact enrollment forecasts, differentiating those elements within the control of Covered California and those outside of its control
- ii. Any analyses used to support planning activities will be provided based on the timing detailed herein and shall be subject to being updated throughout the term of the contract.
- iii. Facilitation and expert participation in meetings and discussions that would assist Covered California in considering the implications of the risks/opportunities identified and the potential impacts of different scenarios on Covered California’s near and long- term planning within Covered California. These meetings would use and supplement the analyses and reports generated in Area I and will primarily occur in March and April of 2016.
- iv. Review and revision of Covered California’s forecasting and modeling will occur by the end of March 2016. To the extent any new models or tools are developed by the Contractor to assist in Covered California’s planning, initial versions will be provided no later than the end of April, 2016 and final versions of all models and tools will be delivered to Covered California no later than the end of May, 2016, in a form that can be used by Covered California staff without assistance from the Contractor. This shall include, but not be limited to, documentation fully describing the methods and sources of any data used to create or modify the model(s); narrative and clear description of formulas, procedures, or methods used within the analysis; and documented instructions or manuals on operating/running the tool(s) and/or model(s) including descriptions of required parameters and values. Upon delivery, such models and tools will become the property of Covered California.

C. Other Reporting Requirements

- i. On a monthly basis, each contractor staff person shall complete a timesheet with a detailed breakdown of hours worked and services performed.
- ii. The contractor will develop and provide ad hoc reports as deemed appropriate and necessary by the State.

3.4 Contract Completion Criteria

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

3.5 Deliverable Acceptance Criteria

All concluded work must be submitted to Covered California for review and approval or rejection. Payment for all tasks performed under this Scope 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 the Covered California Project Manager to approve an invoice for payment.

Deliverable acceptance criteria consist of the following:

- A. Deliverable specific work was completed as specified and the final deliverable product or service was rendered.
- B. Plans, schedules, designs, documentation, digital files, photographs and reports (deliverables) were completed as specified and approved.
- C. All deliverable documentation and artifact gathering have been completed.
- D. All deliverables are in a format useful to Covered California.
- E. 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 shall:

- A. 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.
- B. Provide written reports for review and approval by Covered California and formally respond to Covered California review findings as necessary.
- C. Meet weekly with Covered California staff to discuss progress.
- D. 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.

- E. Provide reasonable and adequate notice of resources required to complete work efforts. Resources may include staff, documentation, and data.

3.7 Covered California's Roles and Responsibilities

Covered California shall:

- A. 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 contract and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.
- B. Provide access to business and technical documents as necessary for the Contractor to complete the tasks identified in this RFP.
- C. Ensure appropriate resources are available to perform assigned tasks, attend meetings, and answer questions.
- D. Ensure that decisions are made in a timely manner.
- E. Provide work areas and meeting rooms as needed.
- F. Identify and provide access to Subject Matter Experts to assist with the elaboration of technical requirements.

3.8 Project Assumptions and Constraints

- A. The Contractor's work hours must be consistent with Covered California's key staff on-site, whose normal business hours are 8:00 AM to 5:00 PM PST, Monday through Friday, except for standard holidays.
- B. All information and data relating to Covered California business including individual level eligibility, enrollment, and financial data will be maintained within Covered California and will be accessible only while on-site. Any planned or expected deviations to this constraint should be identified within the technical response.
- C. Overtime rates will not be reimbursed under the contract.
- D. Travel will not be reimbursed under the contract.
- E. Any modifications to tasks within the SOW of the 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.

- F. 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. If any renegotiated services are outside the scope of the original contract, a contract amendment must be executed prior to commencement of work.
- G. 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 one year. If mutually agreed upon by the State and the Contractor, this contract shall be amended to include additional funding at the same rates provided in the Bidder's proposal.

3.10 Payment and Invoicing

Payment to Contractor is contingent upon Covered California's receiving funding from the Federal government and the collection of fees assessed on the Qualified Health Plans. 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 or the collection of fees assessed on the Qualified Health Plans is delayed, suspended, or terminated.

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

4. PROPOSAL RESPONSE CONTENT

Final proposal requirements are contained in the following areas that are described in detail in subsequent sections of this document:

- A. Administrative Requirements
- B. Understanding and Approach
- C. Corporate Qualifications Summary
- D. Staff Experience
- E. Staff Resumes
- F. Past Projects Completed
- G. Assumptions
- H. Updated Model Contract
 - i. Using the Exhibit A template (Attachment 2-B), include revised Exhibit A with updated Scope of Work
 - a. Understanding and Description of the Tasks to be Performed (Work Plan)
 - ii. Costs: Include revised Exhibit B with Cost Worksheet (Attachments 2-C and 2-D)
 - iii. 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 will be considered an acceptance of those Terms and Conditions.

4.1 Proprietary Information and Confidential Status of Responses

Any documentation submitted which has been marked “Proprietary” or “Trade Secrets” may not be accepted. Pursuant to Evidence Code Section 1040, Covered California will consider responses to this solicitation as “official information” acquired in confidence and will not disclose the information received as a public record, unless it is already available to the public, without receiving prior written permission from the Bidder.

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:*

- A. 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).
- B. A Certificate of Liability Insurance equal to or greater than \$1,000,000.
- C. Proof of Workers’ Compensation Liability Insurance.

- D. A signed Payee Data Record form STD. 204
- E. A signed Federal Debarment Certification (Attachment 1-B).
- F. A completed certification form showing, upon award of the contract, the Bidder agrees to provide a completed Title 10, California Code of Regulations, Chapter 12, Article 1, Statement of Economic Interests (Form 700) (Attachment 1-C). For more information, see the California Health Benefit Exchange Conflict of Interest Code: <http://hbex.coveredca.com/resources/>, and the Fair Political Practices Commission site: <http://www.fppc.ca.gov/index.php?id=500/>

4.3 Technical Requirements

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

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 and resources outside your own team. Provide the assumptions used to develop the response (no more than 10 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:

- A. Ability to manage the project and the risks involved with the project.
- B. Ability to complete projects on time and within budget.
- C. Ability to provide quality deliverables.
- D. 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.

(no more than 10 pages)

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. (no more than 10 pages).

4.3.3.1 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:

- A. Total Duration: Indicate the start (month/year), end (month/year), and duration (total number of years and months) for each job experience submitted;
- B. 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.

4.3.4 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 (no more than 5 pages).

4.3.5 Assumptions

Document any assumptions the Bidder is making about the SOW, the responsibilities of the Bidder and Covered California, and any other issues that are relevant to the Bidder's proposal and ability to do the work for the proposed cost (no more than 5 pages).

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 Evaluation 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 demonstrated experience related to the Scope of Work.

The table below lists the evaluation categories and the weights each will carry in the overall evaluation of each offer:

Criteria	Weight	Points
Administrative Requirements	0%	Pass/Fail
Understanding and Approach	10%	100
Corporate Qualifications	10%	100
Engagement Team Qualifications and Resumes	25%	250
Past Projects Completed	25%	250
Cost	30%	300
Totals	100%	1000

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 highest-rated response 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 shall be recommended for selection.

Covered California Evaluation Team will evaluate Bidder proposals in the four areas of requirements:

- A. Understanding and Approach
- B. Corporate Qualifications
- C. Engagement Team Qualifications
- D. Past Projects Completed

5.3.1.1 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 (for example, number of hours allocated to the project per position should be captured on Attachment 2-DCost Worksheet), all 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.

5.3.1.2 Corporate Qualifications

Covered California seeks a contractor with significant corporate capacity to respond to Covered California's needs during the entire duration of the contract, support a high degree of qualified staff continuity, and a consistently high level of individual team member performance.

Corporate Description and Background: 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.

5.3.1.3 Engagement Team Qualifications

Covered California seeks a team of highly qualified, senior staff to provide high-level project management support services as depicted in the Scope of Work. The engagement team should represent a mix of skill levels and expertise that address the elements outlined in the Scope of Work. The following sections describe the evaluation and scoring of staff qualifications.

A. Staff Experience and Credentials

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:

- i. Demonstrated capacity to successfully assume responsibility comparable to that proposed for the individual in the project engagement;
- ii. Demonstrated capacity to perform at a high level in multiple areas of project management;
- iii. General breadth and extent of experience, as indicated by the number of projects, and duration of individual involvement in each;
- iv. Relevance of experience as indicated by the scope and subject matter of project experience;
- v. Relevance of education, training, and certifications; and
- vi. Number of hours allocated to the project as captured on attachment 2-D Cost Worksheet.

5.3.1.4 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.

5.3.2 Scoring Criteria

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

Rating	Relation to Requirements	Strengths	Deficiencies	Weaknesses	Likelihood of Success	Score
Excellent	Superior attainment of all requirements	Numerous and significant in key areas	None	Minor, if any	Very High	10.0
Good	Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	7.5
Acceptable	Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	5.0
Marginal	May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses or deficiencies	Significant	Significant	Poor	2.5
Unacceptable	Not likely to meet all requirements	None, or some that are far outweighed by weaknesses or deficiencies	Needs major revision	Needs major revision	None	0

5.4 Cost Score

Cost (300 points)

Each Bidder's 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 (SB) Preference

This RFP does not require Bidders to meet the minimum SB participation percentage or goal. However, Bidders are encouraged to sub-contract with SBs.

- A. 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 Bidder 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:

- A. Is responsible for the execution of a distinct element of the work of the contract.
- B. Carries out the obligation by actually performing, managing, or supervising the work involved.
- C. Performs work that is normal for its business services and functions.
- D. 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: Bidder Instructions
- 1-E: Payee Data Record
- 1-F: DVBE Declaration
- 1-G: 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