



## STATE OF CALIFORNIA HEALTH BENEFITS EXCHANGE

### HBEX7 - CALHEERS

# Evaluation and Selection Report

## PROJECT MANAGEMENT AND TECHINICAL SUPPORT CONSULTING SERVICES

April 19, 2012

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## 1. EXECUTIVE SUMMARY AND INTRODUCTION

### 1.1 Executive Summary

The purpose of the Request for Proposal HBEX7-CalHEERS (RFP) is to secure competitively priced services of a Project Management and Technical Support Consulting Services firm (PM/Technical Support Consulting Services) for the California Health Benefit Exchange (Exchange). The PM/Technical Support Consulting Services will provide highly skilled staff to support State project staff during the Design, Development and Implementation (DDI) of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). The term of the PM/Technical Support Consulting Services contract is for a base period of 27 months and may include extensions of up to 24 months under the same terms and conditions. Because the PM/Technical Support Consulting Services requires a unique set of skills not readily available in the state employee pool and are for a limited amount of time, the contract is exempt from requirements of Government Code Section 19130.

The evaluation process and the resulting scores are described in detail below. Based upon the evaluation team's scores, the proposal submitted by First Data Government Solutions (First Data) was the highest scoring proposal. The final scores as well as the underlying scoring methodology were independently reviewed and verified by HBEx staff not involved in the procurement of the PM/Technical Support Consulting Services.

### 1.2 Value Effective Procurement

This procurement was conducted under the RFP Secondary Method using a "value effective" award process. This RFP was a single-step procurement consisting of Bid submittal with cost separately sealed.

The procurement also uses the two-envelope procedure, the first for the bidder response to the requirements, and the second for compensation and cost. Evaluation of the bidder response to the mandatory requirements includes a combination of pass/fail and numerically scored criteria to select the most responsive and value-effective proposal. The total number of points for this procurement was 600 points. Since this procurement is exempt from the requirements of California Public Contract Code Sections 10100 *et seq.*, no preference or incentive points were scored.

Sixty percent (60%) of the points were allocated to an evaluation of the services proposed. Forty percent (40%) of the points were allocated to compensation and cost components. The cost evaluation points awarded were based on the rates bid with the highest number of points awarded for the bid proposing the lowest cost to the Exchange.

### 1.3 Release of RFP

On February 27, 2012, the Request for Proposal (RFP) was published on the California Benefits Exchange website and four (4) addenda were subsequently issued.

Bidders could submit questions for clarification to the Procurement Official. The responses were not confidential and were posted on the Exchange's website at [www.hbex.ca](http://www.hbex.ca). No bidder's conference or confidential discussions were held.

### 1.4 Proposal Receipt

Nine (9) proposals were received on March 21, 2012 in response to the RFP. All nine (9) proposals received passed the Proposal Opening and Validation check and complied with all submission requirements.

**Table 1–Proposals Submitted**

1.	Consumer Health Technologies
2.	Delegata
3.	First Data Government Solutions (First Data)
4.	Informatix
5.	Innovative Government
6.	M Corp
7.	Public Consulting Group (PCG)
8.	Robbins- Gioia
9.	Visionary Integration Professionals (VIP)

## 2. EVALUATION

All evaluation activities occurred in secure work areas. The non-cost piece of each proposal was evaluated one at a time in the order received. An Offer Response Evaluation Guide was developed to input the scores based on RFP Section 4, Evaluation.

The evaluation proceeded in a methodical manner taking care to ensure that all proposals were thoroughly reviewed and assessed. The evaluation steps described in RFP Section 4, Evaluation are depicted in Table 2 providing the roles and responsibilities of the Evaluation Team.

**Table 2–Evaluation Process**

<b>Evaluation Step</b>	<b>Evaluation Sub-Team</b>	<b>Responsibilities</b>
Step One	Administration Requirements Validation Team	Proposal Opening and Validation check to determine if the Bidder has complied with all submission requirements.
Step Two	Administrative Requirements Validation Team	Administrative Requirements Validation - Pass/fail administrative requirements validation to ensure that all components of the proposal have been adhered to.
Step Three	RFP Evaluation Team	Validation of the corporate background and experience. Only those proposals with a cumulative score of six (6) points or above will continue to Step 4.
Step Four	RFP Evaluation Team	Evaluation of Staff Qualifications based on submitted resumes and Staff Experience Summary Form.
Step Five	Administrative Requirements Validation Team	Validation of Staff References.
Step Six (Optional)	RFP Evaluation Team	Staff interviews were deemed to be unnecessary by the RFP Evaluation Team.
Step Seven	RFP Evaluation Team	Evaluation of Understanding and Approach section of the Proposals.
Step Eight	Administrative Requirements Validation Team	Cost Bid – Schedule A only
Step Nine	Administrative Requirements Validation Team	Total Proposal Score determination

**2.1 Proposal Opening and Validation**

**2.2 Administrative Requirements Validation**

The Administrative Requirements Validation Team validated all proposals for compliance with the mandatory requirements specified in Sections 3 and 4 of the RFP. If a proposal failed to meet any of the requirements specified in Sections 3

and 4 of the RFP, the State determined if the deviation was material. If the deviation was determined to be material, the Final Response was considered non-responsive. All proposals received met the Administrative Requirements.

## 2.3 Corporate Qualifications Scoring

The Administrative Requirements Validation Team scored the Corporate Qualifications in accordance with Section 4 of the RFP. The Corporate Qualifications were scored as a pass/fail criteria as described in Section 4.

### 2.3.1 Corporate Qualifications and Resources

The Exchange is seeking a vendor with significant corporate capacity to respond its 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.

Two factors were scored for corporate qualifications and resources, with each factor carrying equal weight within the corporate qualifications and resources evaluation. Evaluation and scoring of each of these factors are described below.

### 2.3.2 Corporate Description and Background

Scoring of this factor was based upon the Evaluation Team's assessment of corporate resources, capacity and historical track record as they relate to the CalHEERS project management requirements. Evaluators assigned scores based upon the proposal's Corporate Description and Background narrative. Scores were assigned in accordance with the rating scale shown below, Corporate Description and Background Scoring Key. The Scoring Key is depicted in Table 3 below:

**Table 3—Corporate Description and Background Scoring Key**

Rating	Evaluation Team Assessments	Points
Outstanding	High degree of confidence in corporate capabilities.	5
Acceptable	No reservations or minimal reservations about corporate capabilities and resources.	3
Marginal	Material reservations about corporate capabilities and resources.	1
Unacceptable	Corporate capabilities and resources clearly inadequate.	0

### 2.3.3 Projects in Progress or Completed within the Last Three Years

Scoring of this factor was based upon the Evaluation Team's assessment of the breadth, depth and relevance to CalHEERS project management requirements of recent experience, as well as corporate resources and capacity as indicated by the characteristics of projects. Evaluators assigned scores based upon information

contained in the Corporate Experience Summary Form. Scores were assigned in accordance with the rating scale shown below, Projects Completed or in Progress Scoring Key.

**Table 4–Projects Completed or in Progress Scoring Key**

Rating	Evaluation Team Assessments	Points
Outstanding	Extensive, highly relevant corporate experience clearly demonstrated.	5
Acceptable	No reservations or minimal reservations about extent or relevance of corporate experience.	3
Marginal	Material reservations about extent or relevance of corporate experience.	1
Unacceptable	Extent of corporate experience clearly inadequate or irrelevant.	0

**2.3.4 Corporate Qualifications and Resources Evaluation Results**

The corporate qualification and resources evaluation allowed for assignment of a maximum of ten (10) points - two (2) factors with a maximum of five (5) points each. Responses scoring fewer than six (6) points were considered non-responsive and were not evaluated beyond this point. Responses scoring six (6) points or more were evaluated in the other categories of Volume I Requirements, as described below, but their corporate qualification and resources scores will not be included in their total Volume I score determination.

Two (2) of the proposals were deemed non-responsive for failure to demonstrate sufficient capacity to provide the resources necessary for the CalHEERS PM/Technical Support Consulting Services. Specifically, one proposal failed to provide annual revenue history for the last three years. The other non-responsive proposal failed to show sufficient corporate experience based on the history provided in the proposal.

The results of the corporate qualification as set forth in the table below:

**Table 5–Corporate Qualification Results**

Bidder/Proposal	Pass (6 pts or better)	Fail ( less than 6 pts)
Consumer Health Technologies		X
Delegata	X	
First Data	X	
Informatix	X	
Innovative Government		X
M Corp	X	

Bidder/Proposal	Pass (6 pts or better)	Fail ( less than 6 pts)
PCG	X	
Robbins-Gioia	X	
VIP	X	

## 2.4 Staff Qualifications Scoring

The RFP Evaluation Team scored the Staff Qualifications in accordance with Section 4.3.3 of the RFP. The evaluation of the Staff Qualifications consisted of two distinct parts (1) Staff Experience and Credentials and (2) scoring of the references provided.

### 2.4.1 Staff Experience and Credentials

The staff experience and credentials were evaluated based on the resumes and the Staff Experience Summary Forms provided for each proposed staff member. The evaluation criteria is described in Table 6 below:



**Table 6–Staff Qualifications Evaluation Criteria**

1. Demonstrated capacity to successfully assume responsibility comparable to that proposed for the individual in the CalHEERS project management support engagement.
2. Demonstrated capacity to perform at a high level in multi areas of project management.
3. General breadth and extent of experience, as indicated by the number of projects and duration of individual involvement in each.
4. Relevance of experience as indicated by the scope and subject matter of project experience.
5. Relevance of education, training and certifications.

Evaluators scored each resume and Staff Experience Summary Form based on the criteria using the Scoring Key in Table 7 below:

**Table 7–Staff Experience and Credentials Scoring Key**

Rating	Evaluation Team Assessments	Points
Outstanding	A seasoned, senior individual with demonstrated capacity to perform successfully as a high level project management consultant in multiple areas on similar large, complex projects.	5
Acceptable	No reservations or minimal reservations about this individual’s capacity to perform at a high level in the CalHEERS DDI environment.	3
Marginal	Material reservations about this individual’s capacity to perform at a high level in the CalHEERS DDI environment.	1
Unacceptable	Demonstrated experience clearly inadequate or irrelevant.	0

**2.4.2 Score Adjustment**

Each proposal was given a raw score based on the criteria and scoring key above. The maximum amount of raw points possible in this section was 90 points (5pts X 18 resumes). Because Staff Experience represents 30% of the total possible 600 points, scores had to be adjusted to reflect the maximum 180 points available in this section. To accomplish this adjustment each raw point score was multiplied by 2. To ensure that cost component does not exceed 40%, the adjusted score must be “normalized.” This means that the proposal that scores the highest adjusted score

receives the maximum points available for that scored component. All the other proposals receive scores in proportion to the maximum amount of points.

### 2.4.3 Staff Qualifications Results

The results of the Staff Qualifications are in Table 8 below:

**Table 8–Staff Qualifications Results**

Bidder/Proposal	Raw Points	Adjusted Points	Normalized Score
Delegata	32.00	64.00	75.79
First Data	76.00	152.00	180.00
Informatix	35.00	70.00	82.89
M Corp	26.00	52.00	61.58
PCG	46.00	92.00	108.95
Robbins-Gioia	11.00	22.00	26.05
VIP	52.00	104.00	123.16

### 2.4.4 Validation of Staff References

The Administrative Requirements Team validated the staff references as being consistent with the instructions in Section 4 of the RFP. Each reference was totaled for points and then scored. Five (5) points was available for each reference. For every person for whom a resume was submitted, two references were required. A total of 180 points was available for this component of the proposal.

### 2.4.5 Score Adjustment

Each proposal was scored based on the criteria and scoring key above. A raw point score was assigned. The total amount of raw points possible was 180 points (10 pts X 18 resumes). Because Staff References represent 15% of the total possible 600 points, scores had to be adjusted to reflect the 90 points available in this section. To accomplish this adjustment each raw point score was multiplied by .5. To ensure that the cost component does not exceed 40%, each score must be “normalized.” This means that the proposal that scores the highest adjusted score receives the maximum points available for that scored component. All the other proposals receive points in proportion to the maximum amount of points.

### 2.4.6 Staff References Results

The results were as shown in Table 9, below:

**Table 9–Staff References Results**

Bidder/Proposal	Raw Points	Adjusted Points	Normalized Score
Delegata	176.00	88.00	88.00
First Data	175.00	87.50	87.50
Informatix	165.00	82.50	82.50
M Corp	144.00	72.00	72.00
PCG	180.00	90.00	90.00
Robbins-Gioia	160.00	80.00	80.00
VIP	180.00	90.00	90.00

**2.5 Evaluation of the Understanding and Approach**

The RFP Evaluation Team scored the Understanding and Approach for each proposal. The evaluation of this component was performed in accordance with Section 4 of the RFP.

**2.5.1 Evaluation Criteria**

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Offeror's understanding as described in the proposal of and insight into the challenges, issues and risks faced by the Exchange in managing the CalHEERS project, and the feasibility, efficiency and expected effectiveness of the approaches described in the proposal to provide assistance to the Exchange. Evaluators assigned scores based solely upon information contained in the proposal's Understanding and Approach Narrative. The Evaluation Team considered the following criteria in descending order of importance:

1. Quality of the Offeror's approach to addressing the CalHEERS scope of responsibilities and activities specified in Section 2, including how the offeror will provide the flexibility to address issues as they arise, while maintaining a high level of quality in the ongoing monitoring of SI activities and artifacts;
2. Quality of the Offeror's approach to early identification of issues and risks, and how the approach will directly contribute to resolution and mitigation;
3. Demonstrated understanding of the typical issues and risks that can be expected to arise in the course of the system development lifecycle; and

4. Demonstrated understanding of the key characteristics of large, complex government IT projects in general, and projects such as CalHEERS in particular.
5. Reasonableness of the Offeror's approach to ramping up to full staffing levels during the period between the Start Work date in Section 1.9 of the RFP, and June 30, 2012.

Scores were assigned in accordance with the rating scale shown below, Understanding and Approach Scoring Key.

**Table 10–Understanding and Approach Scoring Key**

<b>RATING</b>	<b>EVALUATION TEAM ASSESSMENTS</b>	<b>POINTS</b>
Outstanding	Understanding and approach clearly demonstrates unusual insight and/or creativity.	5
Acceptable	No reservations or minimal reservations about offeror's understanding and approach.	3
Marginal	Material reservations about offeror's understanding and approach.	1
Unacceptable	Understanding of the project and client needs clearly deficient.	0

### 2.5.2 Score Adjustment

Each proposal was scored based on the criteria and scoring key above. A raw point score was assigned. The total amount of raw points possible was 90 points (5 pts X Understanding and Approach component). Because Understanding and Approach represents 15% of the total possible 600 points, scores had to be adjusted to reflect the 90 points available in this section. To accomplish this adjustment each raw point score was multiplied by 18. To ensure that cost component does not exceed 40%, each score must be “normalized.” This means that the proposal that scores the highest adjusted score receives the maximum points available for that scored component. All the other proposals receive points in proportion to the maximum amount of points.

**Table 11–Understanding and Approach Results**

<b>Bidder/Proposal</b>	<b>Raw Points</b>	<b>Adjusted Points</b>	<b>Normalized Score</b>
Delegata	3.00	54.00	54.00
First Data	5.00	90.00	90.00
Informatix	1.00	18.00	18.00

Bidder/Proposal	Raw Points	Adjusted Points	Normalized Score
M Corp	3.00	54.00	54.00
PCG	3.00	54.00	54.00
Robbins-Gioia	3.00	54.00	54.00
VIP	5.00	90.00	90.00

## 2.6 Cost Proposal Opening and Validation

The separately sealed Volume 2, Cost Proposals were certified and witnessed as sealed documents. There was no public cost opening. After completion of the non-cost evaluation, the Cost Proposals were opened and reviewed by the **Administrative Requirements Validation Team**. The cost evaluation included both a administrative pass/fail portion and a scoring portion. There were no material deviations.

Table 12 - Administrative Results

Bidder/Proposal	Pass/Fail	Material Deviations?
Delegata	Pass	No
First Data	Pass	No
Informatix	Pass	No
M Corp	Pass	No
PCG	Pass	No
Robbins-Gioia	Pass	No
VIP	Pass	No

## 2.7 Cost Proposal Evaluation

The Administrative Requirements Evaluation Team scored Cost components for all responsive proposals. The evaluation was performed in accordance with Section 4.3.5 of the RFP. The forty percent (40%) of maximum available points were available for scoring Cost.

### 2.7.1 Results

The proposal with the lowest costs as bid on the completed Schedule A of the RFP received the maximum costs points available. All other proposals were awarded a cost score calculated using the equation below:

$$\frac{\text{Lowest Bid Total} \times \text{Maximum Cost Points Available}}{\text{Proposal Total}} = \text{Cost Bid Points Awarded}$$

**Table 13–Cost Results**

Bidder/Proposal	Cost	Weighted Score
Delegata*	\$ 8,059,500	240.00
First Data	\$ 9,348,726	206.90
Informatix	\$ 8,564,640	225.84
M Corp	\$ 8,294,400	233.20
PCG	\$ 9,287,000	208.28
Robbins-Gioia	\$ 8,178,400	236.51
VIP	\$ 8,254,904	234.32

\* Lowest cost

## 2.8 Application and Validation of Preferences and Incentives

No preferences and incentives were applied to this procurement.

## 3. RECOMMENDATION

### Consolidated Results

The Consolidated Evaluation results in Table 10 with bidders that passed Corporate Qualifications. The highest scoring proposal from a responsible and responsive bidder was First Data Government Solutions.

**Table 14-Consolidated Evaluation Results**

Evaluation Component	Evaluation Weight	Delegata	First Data	Informatix	M Corp	PCG	Robbins Gioia	VIP
<b>Bid opening and Validation</b>								
RFP Submission requirements are met?		Y	Y	Y	Y	Y	Y	Y
Any material deviations?		N	N	N	N	N	N	N
<b>Administrative Requirements Validation</b>								
Administrative Requirements met?		Y	Y	Y	Y	Y	Y	Y
Any Material deviations?		N	N	N	N	N	N	N
<b>Staff Experience and Credentials</b>	30%	75.79	180.00	82.89	61.58	108.95	26.05	123.16
<b>Staff References</b>	15%	88.00	87.50	82.50	72.00	90.00	80.00	90.00

Evaluation Component	Evaluation Weight	Delegata	First Data	Informatix	M Corp	PCG	Robbins Gioia	VIP
<b>Understanding and Approach</b>	15%	54.00	90.00	18.00	54.00	54.00	54.00	90.00
<b>Cost</b>	40%	240.00	206.90	225.84	233.20	208.00	236.51	234.32
<b>Total Points</b>		457.79	564.40	409.24	420.78	461.23	396.56	537.48

### 3.1 Recommendation for Award of Contract

It is the recommendation of the Evaluation and Selection Team that the Intent to Award be issued to First Data Government Solutions with the highest final score of 564.40 points in accordance with Section 4, Evaluation of the RFP. All proposal scores and the underlying scoring methodology were independently reviewed and verified by HBEx staff not involved in the procurement of the PM/Technical Support Consulting Services.