



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

April 17, 2015

Dear Interested Parties:

**SUBJECT: RELEASE OF DRAFT REQUEST FOR PROPOSAL # 13-90270
CALIFORNIA DENTAL MEDICAID MANAGEMENT INFORMATION SYSTEM
FISCAL INTERMEDIARY SERVICES**

The purpose of this letter is to announce the release of the **DRAFT** of the Request for Proposal (RFP) for the California Dental Medicaid Management Information System (CD-MMIS) Fiscal Intermediary (FI) Services procurement as well as to seek comments from Interested Parties. **This is not a solicitation for submission of a proposal at this time, but only to solicit comments from Interested Parties regarding the content of the DRAFT RFP for consideration prior to release of a FINAL RFP.**

The Department of Health Care Services (DHCS) is releasing this **DRAFT** of RFP 13-90270 on behalf of the California Medi-Cal Dental Services Division (MDSO). The purpose of the RFP is to solicit proposals from firms that are able to provide FI services for the Medi-Cal Dental Program. This RFP solicits proposals for the takeover, operation and eventual turnover of the CD-MMIS, and for effective and efficient auto adjudication of claims and related documents while improving services to Medi-Cal Dental Program providers, beneficiaries, and federal and State users of the system.

DHCS intends for the selected proposer to take over the existing CD-MMIS and operate it to the satisfaction of State and federal regulations and requirements for FI services for Medi-Cal and other dental-related programs, as described in this RFP. Programs that currently utilize CD-MMIS suspense Claims/Treatment Authorization Requests (TARs) processing and other related services include Medi-Cal, California Children's Services Program, the Genetically Handicapped Persons Program (GHPP) and the Regional Center Consumers. At this time, the Department is NOT soliciting proposals for a replacement of the existing CD-MMIS.

DHCS will procure two contracts simultaneously, one for Dental FI services and one for Dental Administrative Services Organization (ASO) services. Each contractor will be required to work with the other while using the existing CD-MMIS to meet each contract's responsibilities.

A subsequent ASO contract, procured prior to the end of the first ASO contract, will require the ASO contractor to utilize its own claims processing/utilization management system that will interface with the existing CD-MMIS. Once the existing CD-MMIS consolidates with the replacement of the medical California Medicaid Management Information System (CA-MMIS), the ASO Contractor will continue to use its own claims processing/utilization management system interfaced with the new CA-MMIS. The term of the FI contract is intended to span the first ASO contract and a portion of the second ASO contract, the time required to implement the on-going system replacement project at CA-MMIS and achieve the envisioned MMIS consolidation.

Office of Medi-Cal Procurement
MS Code 4200 • 1501 Capitol Avenue • Suite 71.3041
P.O. Box 997413 • Sacramento CA 95899-7413
Phone 916.552.8006 • Fax 916.440.7369

Interested Parties may now download the **DRAFT** RFP from the OMCP web site at:
http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPdentalFiHOME.aspx

Please note:

1. Upon release of the **DRAFT** RFP, DHCS will provide various electronic information and resource materials that Proposing Firms may find beneficial. The materials are for the sole use of Proposing Firms, and include publications, data, documents, information and links to various websites. Proposing Firms must submit OMCP-required security documentation in order to be provided authority to access this information.
2. The RFP document we are releasing at this time is a **DRAFT** of the requirements expected to be included in the FINAL RFP. The date the FINAL RFP will be released is unknown at this time. However, please continue to view the aforementioned website on a regular basis for the latest information concerning the release of the FINAL RFP.
3. DHCS requests that Interested Parties carefully consider the scope of work requirements to be fulfilled under this contract and offer input on the work to be performed. DHCS will review and consider the submitted comments, and the FINAL RFP may reflect comments and modifications accepted by DHCS. Details about the scope of work requirements may be found in Exhibit A, Attachment I through Exhibit A, Attachment IV, of the RFP.
4. Many sections in this **DRAFT** RFP that include important due dates, term (dates) of the contract, the proposal content requirements, evaluation and selection instructions and procedures, and rating factors are subject to change before the FINAL RFP is released.
5. Interested Parties who would like to receive a copy of the FINAL RFP are highly encouraged to submit the completed *Request for Inclusion on Distribution List* Attachment 14 (available on the website noted above), if you have not already done so. Only organizations that return this attachment will be included on the distribution list when the release of the FINAL RFP is announced. You should also continue to monitor the OMCP website for any updates.
6. Please do not provide comments on items or issues that are outside the control of DHCS or that are in conflict with law, regulation, or federal mandate governing the California Medi-Cal Dental Program.

Your input is very important in helping DHCS finalize this RFP. DHCS does not intend to provide a response to the comments and/or questions submitted by Interested Parties in response to this letter. However, any and all comments and/or questions will be highly valued and will be considered when drafting the Final RFP. Interested Parties will have an opportunity to have their questions answered once the Final RFP is released, in accordance with RFP Section *Proposer Questions*.

To ensure that your comments or questions are fully considered regarding this **DRAFT** RFP, please submit them, in writing only, by close of business **on or before May 8, 2015**.

April 17, 2015

Page 3

Comments may be mailed **via U.S. Postal Service** to:

LaVonda Williams, Deputy Chief
California Department of Health Care Services
Office of Medi-Cal Procurement
Request For Proposal #13-90270
California Dental Medicaid Management Information System Fiscal Intermediary Services
MS 4200
P.O. Box 997413
Sacramento, CA 95899-7413

or

Sent via email to omcprfp2@dhcs.ca.gov, subject line:

Request For Proposal #13-90270
California Dental Medicaid Management Information System Fiscal Intermediary Services

Thank you for your interest.

Sincerely,

Original signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement



DRAFT Request for Proposal 13-90270

**California Dental Medicaid Management Information System (CD-MMIS)
Fiscal Intermediary (FI) Services**

Department of Health Care Services
Office of Medi-Cal Procurement
MS Code 4200
1501 Capitol Avenue, Suite 71.3041
P. O. Box 997413
Sacramento, CA 95899-7413

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Attachment #	Attachment Name
Attachment 1	Proposal Cover Page
Attachment 2a	Narrative Proposal Required Attachments / Certification Checklist
Attachment 2b	Cost Proposal Required Attachments / Certification Checklist
Attachment 3	Client References
Attachment 4	RFP Clause Certification
Attachment 5	CCC 307 - Certification
Attachment 6	Payee Data Record
Attachment 7	Follow-on Consultant Contract Disclosure
Attachment 8	Disabled Veteran Business Enterprise (DVBE) Instructions/Forms with Attachment 8a, DVBE Participation
Attachment 9	Darfur Contracting Act Certification
Attachment 10	IRAN Contracting Act Certification
Attachment 11	Non-Small Business Subcontractor Preference Instructions
Attachment 11a	Non-Small Business Subcontractor Preference Request
Attachment 11b	Small Business Subcontractor / Supplier Acknowledgement

Attachment 12	Cost Proposal Bid Sheets Instructions
	12-1 Takeover Bid Sheet
	12-2 Expansion Items Bid Sheet
	12-3 Scanned Claim/TAR Bid Sheet
	12-4 System Group Billable Sheet
	12-5 Turnover and Runout Bid Sheet
	12-6 Total Cost Proposal Evaluation

Attachment 13	Voluntary Letter of Intent
Attachment 14	Request for Inclusion on Mailing List
Attachment 15	Conflict of Interest Compliance Certificate
Attachment 16	Target Area Contract preference Act (TACPA) Request
Attachment xx	Narrative Proposal Evaluation Criteria
Attachment xx	Proposer Response Guide

Z. Sample Contract Forms / Exhibits

Exhibit #	Exhibit Name
Exhibit A 1	Standard Agreement
Exhibit A	Scope of Work (SOW)
Exhibit A, Attachment I	Takeover
Exhibit A, Attachment II	Operations
Exhibit A, Attachment III	Change Requirements
Exhibit A, Attachment IV	Turnover and Runout
Exhibit B	Budget Detail and Payment Provisions
Exhibit B, Attachment I	Special Payment Provisions
Exhibit C	General Terms and Conditions (GTC 610). View or download at this Internet site: http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

Exhibit #	Exhibit Name
Exhibit D(F)	Special Terms and Conditions
Exhibit D(F),	Certification Regarding Lobbying
Exhibit E; Attachment I	Additional Provisions
Exhibit E, Attachment II	Change Order Pricing Form Escrow Bid Certification
Exhibit F	Contractor's Release
Exhibit G	Travel Reimbursement Information
Exhibit H	Health Insurance Portability and Accountability Act (HIPAA) Business Associate Addendum
Exhibit I	Staffing Qualifications

AA. Appendices

Appendix #	Appendix Name
Appendix 1	Map to the Department of Health Care Services
Appendix 2	Formula for Adjudication Audit
Appendix 3	Formula for Processing Audit
Appendix 4	Glossary
Appendix 5	Acronym List
Appendix 6.0	Data Library Instructions
Appendix 6.1	Data Library Index
Appendix 6.2	Request for Data Library Material
Appendix 6.3	Health Insurance Portability and Accountability Act (HIPAA) Business Associate Addendum for Data Library
Appendix 6.4	Data Library Security and Confidentiality Agreement
Appendix 6.5	Data Library Digital Versatile Disc (DVD) and Media Destruction Agreement

A. Official Means Of Communication

1. This solicitation referenced on the cover page of this document is issued by the California Department of Health Care Services (DHCS or Department) and is posted on the Office of Medi-Cal Procurement (OMCP) web site:
http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx.
2. During this solicitation process, official communication with Proposers will be via notices on the OMCP web site. Notices may include modifications, addenda, responses to inquiries and the posting of the Notice of Intent to Award. It is the Proposer's responsibility to periodically check the OMCP web site for notices, changes, additional documents or amendments that pertain to this solicitation.

B. Sole Point of Contact and Address

The Department's sole point of contact and Proposal delivery address for this solicitation is:

Department of Health Care Services
Office of Medi-Cal Procurement
RE: RFP 13-90270
Attn: Teri Lesh and/or Subran Singh
1501 Capitol Avenue, Suite 3041
Mail Stop Code 4200
P.O. Box 997413
Sacramento, CA 95899-7413
(916) 552-8006
omcprfp2@dhcs.ca.gov

C. Submission of Proposals and Other Related Documents

This section is in reference to, but not limited to, the submission of the following documents relative to the RFP: Proposer Questions, Voluntary Letter of Intent, Proposals and other RFP-related correspondence.

1. For Hand Delivery / Courier Service Delivery
 - a. All documents must be delivered to DHCS as described in this section. Please read the information in this section carefully.
 - b. Proposers must make an appointment with OMCP at (916) 552-8006 to coordinate hand delivery / courier service delivery of documents to DHCS.
 - c. Allow sufficient time to find on-street metered parking and to sign-in at the security desk in the lobby at 1501 Capitol Avenue.
 - d. Ask security personnel to call OMCP at (916) 552-8006 to notify the office of your arrival. OMCP staff will accept the delivery in the lobby and issue a receipt to the bearer. Proposers are warned not to surrender any deliverables to any person other than OMCP staff.
2. For United States Postal Delivery
 - a. All documents mailed to DHCS must adhere to the directions provided in this RFP.

- b. Please be advised DHCS internal processing of United States postal deliveries may add forty-eight (48) hours or more to the delivery time. If packages are mailed, consider using certified or registered mail and request a receipt upon delivery.

3. For Email Delivery

- a. As described throughout the RFP, specific attachments, forms and other correspondence may be emailed to DHCS at: omcprfp2@dhcs.ca.gov.
- b. Be sure to indicate the subject along with "RFP 13-90270" as instructed in the RFP. Proposal submissions **may not** be emailed.

D. Purpose, Description of Services and Background

1. Purpose

The California Department of Health Care Services is soliciting Proposals from firms that are able to provide Fiscal Intermediary (FI) services for the Medi-Cal Dental Program. This Request for Proposal (RFP) solicits Proposals for the takeover, operation, and eventual turnover of the California Dental Medicaid Management Information Systems (CD-MMIS), and for effective and efficient auto adjudication of claims and related documents while improving services to Medi-Cal Dental Program federal and State users of the system. Proposals must address all of the services described in Exhibit A entitled, "Scope of Work".

DHCS intends for the selected Proposer to take over the existing CD-MMIS and operate it to the satisfaction of state and federal regulations and requirements for FI services for Medi-Cal and other dental-related programs, as described in this RFP. Programs that currently utilize CD-MMIS claims/Treatment Authorization Requests (TARs) processing and other related services include Medi-Cal, California Children's Services Program (CCSP), the Genetically Handicapped Persons Program (GHPP) and the Regional Center Consumers . At this time, the Department is NOT soliciting Proposals for a replacement of the existing CD-MMIS.

DHCS is procuring two contracts, one for the dental administrative services and one for the dental fiscal intermediary services. The ASO Contractor will be required to operate with the dental FI Contractor using the existing CD-MMIS. A second ASO contract, procured prior to the end of the ASO contract, will require the Contractor to utilize its own claim processing/utilization management system that will interface with the existing CD-MMIS. Once the existing CD-MMIS consolidates with the replacement of CA-MMIS, the ASO Contractor will continue to use its own claims processing/utilization management system, interfaced with the new CA-MMIS replacement system. The FI contract is intended to span the time required to implement the on-going system replacement project at CA-MMIS and achieve MMIS consolation.

DHCS intends to make a Contract award to the most responsive and responsible firm earning the highest score. This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, non-profit organizations, State or public universities (including auxiliary organizations) and other entities.

2. Description of Services

A number of innovative features are included in the RFP. It is critical, therefore, that Proposers carefully read and understand all sections in the RFP and all provisions of each exhibit. Features of the Contract are described below:

a. Business Rule Repository Maintenance

The Department is moving forward on a project to create a repository of business rules implemented by CD-MMIS. The Contractor shall be responsible for maintaining and updating the business rule repository (BRR).

b. CD-MMIS – FI Enterprise Project Management Office (EPMO)

Utilization of an EPMO to coordinate with all the levels of Operations, including the ASO, to ensure changes due to statute, regulation, judicial interpretation, policy or other DHCS initiatives are implemented.

c. Project and Portfolio Management

A Commercial, off-the-shelf (COTS) Project Management tool(s) to track all project artifacts enterprise-wide. These artifacts include project tasks, action items, issues, problem reports, time reporting, costs, automated approvals, Change Orders and deliverables, for both the Contractor and DHCS resources.

3. Background

From its inception in 1966, Medi-Cal has experienced increasing program costs, primarily as a result of a steady increase in the eligible population, growth in caseload, and increased utilization of services and hospital costs. A Medi-Cal Reform Plan (MRP) was enacted by statute in October 1971 (Chapter 577, Statutes of 1971) with the objective of developing an equitable statewide eligibility system, a uniform schedule of benefits for eligible Californians within a strong system of utilization and quality controls, and an improved system of health care delivery and health care financing for the program.

DHCS, as part of the California Health and Human Services Agency (CHHSA), is the single State department responsible for administering the Medi-Cal program, which includes dental services for Medi-Cal recipients. Within DHCS, Health Care Programs manages the Medi-Cal program while the Medi-Cal Dental Services Division (MDSD) provides the day-to-day oversight and management.

From 1966 to 1972, all claims for dental health care services rendered to Medi-Cal recipients were submitted, processed, and paid by a single FI. In 1973, with passage of the Waxman-Duffy Act, the State Legislature provided the opportunity for the State of California to explore the possibility of delivering dental care on a prepaid, at-risk basis (for services and administrative costs). Under the provisions of the Waxman-Duffy Act, effective January 1, 1974, the State entered into a four-year pilot project with California Dental Services, a.k.a. Delta Dental Plan of California, to provide dental care services on a prepaid, at-risk basis. Legislative action allowed the State to extend the pilot project leading to the first of several competitively bid contracts, under a prepaid, at-risk model.

The Center for Medicare and Medicaid Services (CMS) has recently voiced concerns with certain elements of the current Dental FI Contract, including the fact that California operates two MMIS. In order to address CMS’ concerns and with DHCS currently evaluating alternatives for the eventual migration to a single MMIS DHCS has removed the underwriting and at-risk basis from the Contract that will be awarded as a result of this RFP. Consequently, DHCS is releasing two competitive RFPs. One RFP will solicit bids to provide administrative services for the Medi-Cal Dental Program and the other, this RFP, to obtain a FI that will support the CD-MMIS.

This RFP solicits competitive bids from FI Contractors to operate and maintain the CD-MMIS and provide FI services to the Medi-Cal Dental Program

E. Time Schedule

Below is the tentative time schedule for this procurement.

Event	Date Time (If applicable)
RFP Released	TBD
Questions Due	TBD
Request for Inclusion on Distribution List	TBD
Voluntary Pre-Proposal Conference	TBD
Voluntary Non-Binding Letter of Intent	TBD
Proposal Due Date	TBD
Notice of Intent to Award Posted	TBD
Protest Deadline	TBD
Contract Award Date	TBD
Proposed Start Date of Contract	TBD

F. Contract Term

The term of the resulting Contract is expected to be forty-eight (48) months and is anticipated to be effective from **TBD** or upon approval by the Department of General Services (DGS), whichever is later. DHCS may extend the Contract using up to five one-year optional extensions. The Contract may be extended using any combination of the five one-year optional extensions at one time. Contract extensions are subject to satisfactory performance of Scope of Work (SOW) requirements, funding availability and approval by DGS, if applicable.

The Contract term may change if DHCS makes an award earlier than expected or if DHCS cannot execute the Contract in a timely manner due to unforeseen delays. DHCS reserves the right to extend the term of the resulting Contract via an Amendment as necessary to complete or continue the services. Contract extensions are subject to satisfactory performance, funding availability and approval by DGS, if applicable.

The resulting Contract will be of no force or effect until it is signed by both parties and approved by CMS and DGS, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained and the Contractor is advised by DHCS to begin work. If performance commences before all approvals are obtained, said services may be considered to have been volunteered until such approvals are obtained.

See Exhibit E, Additional Provisions, Term of the Contract for additional information.

G. Proposer Questions

Immediately notify DHCS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions or requirements. Inquiries must be in writing and transmitted to DHCS as instructed in RFP, Section C, Submission of Proposals and Other Related Documents. At its discretion, DHCS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a Proposal at their own risk. In addition, if awarded the Contract, the Contractor shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission or error.

Following the question submission deadline, DHCS will summarize all general questions and issues raised and post the summary of questions and responses on the OMCP website at: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx. DHCS will also notify all interested parties that have submitted a Request for Inclusion on the Distribution List form, Attachment 14, with an email that there has been an update posted to the OMCP website.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

1. What to include in an inquiry

- a. Inquirer's name and title, name of firm submitting the inquiry, mailing address, email address, area code and telephone number.

- b. Following the table format below, list the RFP section, page number, a description of the specific problem or issue in question, and remedy sought, if any.

RFP Reference	Section	Page Number	Question or Comment	Remedy Sought
<p>Use "General" for general questions. Use "RFP Main" if the question is about a section in the RFP Main. For questions regarding Exhibits and Attachments, identify the Exhibit by letter and the Attachment by number, e.g., "Exhibit A/Attachment 1", "Attachment 2", etc.</p>	<p>Indicate the RFP section by letter. Include the number(s) or letter(s) of any subsection(s) or paragraph(s). Indicate the Exhibit letter and identify any subsection(s) by number(s) or letter(s).</p>	<p>Example: 27 of 47</p>		

2. Question deadline

Proposers are encouraged to submit written inquiries about this RFP to DHCS no later than two State working days before the Pre-Proposal Conference date so answers can be prepared in advance. Notwithstanding the initial question submission deadline, DHCS will accept inquiries via hand delivery, courier service delivery, U.S. postal delivery or email received by **4:00 PM Pacific Time** on the date of the Pre-Proposal Conference.

Notwithstanding the question submission deadline, DHCS will accept questions or inquiries about the following issues if such inquiries are received prior to the Proposal submission deadline.

- a. Disabled Veterans Business Enterprise (DVBE) participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

3. How to submit questions

Please refer to RFP Main, Section C, Submission of Proposals and Other Related Documents.

4. Verbal questions

Verbal inquiries are discouraged. DHCS reserves the right to not accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal**

inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.

Direct all verbal requests for DVBE assistance, prior to the Proposal submission deadline, to DHCS' DVBE Coordinator at (916) 650-0205.

H. Data Library

1. General Information

A Data Library (Data Library) for this procurement will be available from the date of the release of this RFP until the Proposal submission deadline. Due to the high level of sensitivity and confidentiality of the Data Library material, DHCS will restrict access to the contents of the Data Library to prospective Proposers only.

RFP 13-90271 for the California Dental ASO and RFP 13-90270 for the California Dental Fiscal Intermediary will contain the same Data Library material. **Proposers submitting Proposals for both procurements are not required to submit a separate set of Data Library forms (see Appendices) for each RFP.** DHCS will accept one completed set of Data Library forms from Proposers that intend to submit Proposals in response to both RFPs.

The Data Library will be available on discs. Data Library materials will not be supplied in hard copy, unless doing so is necessary to meet a reasonable accommodation request (see RFP Main, Section Reasonable Accommodations). The Data Library contents will be contained on single layer 4.7 GB digital versatile disc (DVD) or compact discs (CDs). It is the responsibility of the Proposer to have the necessary equipment to view the information contained on these discs. Discs will be encrypted and the encryption password will be provided by email to the Point of Contact designated on Appendix 6.2, Request for Data Library Material. See Appendix 6.0, Data Library Index and Appendix 6.1, Data Library Quick Glance Summary for details concerning the Data Library material contained on each disc.

2. Data Library Policy

- a. Proposers must formally request the Data Library material. The request must be submitted using the Appendices described in this Section.
- b. Each Proposer must designate a Point of Contact to act as the official contact for Data Library communication. Note - Should the Proposer's Point of Contact change, immediately notify DHCS by submitting a revised set of the required Data Library forms.
- c. Only one set of Data Library discs will be provided to each Proposer.
- d. The Data Library is the property of DHCS and all discs must be destroyed or returned to DHCS within ten (10) calendar days after either the award of a Contract or any notice by DHCS of intent not to award a Contract. This includes the return of any updated discs that DHCS may supply to the Proposer.
- e. All DHCS data must be destroyed from all media when the data is no longer necessary for the purpose for which it was intended. The removal method must conform to the Department of Defense (DOD) standards (NISP Operating Manual DoD 5220.22-M) for data

destruction. This includes Data Library material that has been copied to other media by the Proposer.

- f. Once Data Library discs have been returned to DHCS **and** all DHCS data has been destroyed from all Proposer media, the Proposer's Point of Contact must notify DHCS of policy compliance by sending an e-mail to: omcprfp2@dhcs.ca.gov with the subject line "Data Library Destruction-RFP 13-90270".

3. Required Data Library Forms

- a. In order to safeguard the confidentiality of the Data Library, DHCS will not distribute the Data Library discs until all of the required Appendices described in this Section have been signed and submitted by the Proposer's Point of Contact. Appendices submitted to OMCP for approval and authorization must contain original signatures. Photocopies, email copies or faxed copies will not be accepted.
- b. Submit the following Appendices to request Data Library discs:

Appendix 6.2 - Request for Data Library Material

Proposers must submit a Request for Data Library Material, Appendix 6.2, to receive the discs containing Data Library material. The Proposer's Point of Contact must complete and sign Appendix 6.2. This Appendix also serves as a checklist for the Proposer to ensure that all required Appendices are submitted. In addition, the Proposer must check either Option 1 or Option 2 to indicate the preferred method for delivery of the Data Library discs.

Appendix 6.3 - Health Insurance Portability and Accountability Act (HIPAA) Business Associate Addendum for Data Library

The HIPAA Business Associate Addendum describes the contractual responsibility of all DHCS Business Associate situations and outlines DHCS policy governing the use and disclosure of Protected Health Information (PHI) contained in the Data Library. This Appendix must be signed by the Proposer's Point of Contact who is authorized to legally bind the Proposer to the HIPAA provisions contained in this Appendix.

Appendix 6.4 –Data Library Security and Confidentiality Agreement

The Data Library Security and Confidentiality Agreement must be signed by the Proposer's Point of Contact. The signature on this Appendix indicates the Proposer acknowledges the importance of Data Library security and confidentiality and guarantees Proposer compliance with the security requirements regarding access to and use of the Data Library material for this procurement.

Appendix 6.5- Data Library DVD and Media Destruction Agreement

The Data Library Disc Return and Media Destruction Agreement describes DHCS' policy for the return and/or destruction of the Data Library discs. By signing this Appendix, the Proposer attests that they understand and agree to Data Library policy contained in this RFP.

4. Updates to the Data Library Material

The Data Library may be periodically updated and additional documents may be added, deleted or changed during this procurement.

Announcements regarding Data Library updates and/or additions will be posted directly to the OMCP website. Proposers may wish to review the OMCP website periodically at http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx for current information about revisions to the Data Library. It will be the responsibility of the Proposers to view the Data Library material in detail for changes.

Interested Parties that submit Attachment 15, Request for Inclusion on Distribution List, will receive an e-mail notification of any updates to the Data Library. A notice will also be posted on the OMCP website.

I. Pre-Proposal Conference

DHCS will conduct a voluntary Pre-Proposal Conference in Sacramento on **April 30, 2015** beginning at **1:30 PM Pacific Time** at the following location:

Department of Health Care Services
1500 Capitol Avenue
1st Floor Auditorium
Sacramento, CA 95814

Prospective Proposers that intend to submit a proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective Proposers responsibility to attend the Pre-Proposal Conference promptly at 10:00 AM Pacific Time. DHCS reserves the right not to repeat information for participants that join the conference after it has begun.

If a prospective prime Contractor is unable to attend the voluntary Pre-Proposal Conference, an authorized representative of its choice may attend on its behalf. The representative may sign-in as a representative for only one prospective prime Contractor. Subcontractors may also represent a single prospective prime Contractor at the voluntary Pre-Proposal Conference.

The voluntary Pre-Proposal Conference is a public meeting and anyone can attend.

The purpose of the conference is to review highlights of the RFP and allow prospective Proposers the opportunity to ask questions about the services sought, any RFP requirements and/or instructions.

Prospective Proposers are encouraged to carefully review the RFP before the conference to become familiar with qualification requirements, SOW requirements and Proposal content requirements. Conference attendees should have their copy of the RFP available for viewing during the conference. Copies of the RFP, in any format, will not be provided at the Pre-Proposal Conference.

Refer to the RFP section entitled, "Proposer Questions" for instructions for how to submit written questions and inquiries before the conference date.

DHCS reserves the right to determine which inquiries will be answered during the conference and which will be answered later in writing. **Answers and comments provided**

by DHCS in response to Proposer questions/inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.

After the conference, DHCS intends to summarize all general questions and issues raised before and during the conference and email the summary and responses to all parties who requested inclusion on the distribution list and to those who attended/participated in the conference. In lieu of mailing or emailing a summary of questions and/or responses to those who requested inclusion on the distribution list and to conference attendees, DHCS may opt to post the summary and responses on the OMCP website at the following address: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries/questions.

Conference attendees are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

For driving and parking instructions, please see Appendix 1.

J. Reasonable Accommodations

For individuals with disabilities, DHCS will provide assistive services such as sign-language interpretation, real-time captioning, note takers and reading or writing assistance. DHCS will also provide conversion into Braille, large print, audio cassette and CD of such items as the RFP and RFP Addenda, Pre-Proposal Conference handouts, Questions and Answers Notices, applicable Data Library materials and other Administrative Notices.

To request such services or copies in an alternate format, please contact DHCS staff listed in RFP Section B, "Sole Point of Contact" no later than **TBD** to arrange for reasonable accommodations. The range of assistive services available may be limited if requestors cannot allow ten (10) or more State working days prior to the date the alternative format material is needed. Note: (TTY) California Relay telephone number 711-1-800-735-2929.

K. Request for Inclusion on Distribution List

During the procurement process, DHCS may revise RFP content through issuance of an Administrative Bulletin or a RFP Addendum in order to to transmit important information to Interested Parties and prospective Proposers who have submitted to DHCS Attachment 14, Request for Inclusion on Distribution List. Administrative Bulletins and RFP Addenda will be posted to the OMCP website at: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx.

DHCS will notify Interested Parties and prospective Proposers each time an Administrative Bulletin and/or RFP Addendum is posted to the OMCP website via email message. This email message will be sent to Interested Parties and prospective Proposers who have submitted Attachment 14, Request for Inclusion on Distribution List. Therefore, it is incumbent upon any prospective Proposer who has not submitted a Request for Inclusion on Distribution List to monitor the OMCP website for Administrative Bulletins and RFP Addenda for revisions to the RFP and for important procurement information.

Interested parties and prospective Proposers unable to download information from the OMCP website may request a CD of the RFP. Please refer to RFP Section B, "Sole Point of Contact" to request a CD.

L. Voluntary Letter of Intent

1. General Information

Prospective Proposers are encouraged to submit the Voluntary Letter of Intent, Attachment 13, to indicate either an intent to submit a Proposal or to indicate the reason(s) for not submitting a Proposal. Failure to submit the Voluntary Letter of Intent will not affect the acceptance of any Proposal. The Voluntary Letter of Intent is not binding and Proposers are not required to submit a Proposal because a Voluntary Letter of Intent is submitted.

2. Submitting the Voluntary Letter of Intent

Submit Attachment 13, Voluntary Letter of Intent by 4:00 PM Pacific Time on TBD. Send the Attachment to the Department as stated in RFP Main, Section B, Sole Point of Contact and Address, and RFP Main, Section C, Submission of Proposals and Other Related Documents.

M. Scope of Work

See Exhibit A, Scope of Work, and Exhibit A Attachments I through IV that are included in the Sample Contract Forms and Exhibits Section of this RFP. Exhibit A and Exhibit A Attachments I through IV contain a detailed description of the services and work to be performed as a result of this procurement.

N. Qualification Requirements

Failure to meet the following requirements by the Proposal submission deadline may be grounds for DHCS to deem a Proposer non-responsive. Evaluators may choose not to thoroughly review or score Proposals that fail to meet these requirements.

If the Proposer is a subsidiary of another business entity, such as a parent corporation, and the Proposal relies in part on the business experience of that entity, these qualification requirements will apply to the other business entity as well.

A Proposer may meet the qualification requirements through the combined qualifications of the Proposer and its subcontractor(s) and/or independent consultant(s). If qualifications are to be met using this manner, the subcontractor(s) and/or independent consultant(s) must also meet the qualifications requirements of this RFP.

In submitting a Proposal, use Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist to certify and prove that the Proposer possesses and agrees to abide by the following qualification requirements.

1. Experience requirements

The Proposer must have three consecutive years of relevant prior experience within the last five years from Proposal submission date, which is similar to the work contemplated by this RFP, and which demonstrates the Proposer's ability to perform such work. Such experience may consist of a combination of experience either by the Proposer or by a

parent corporation of the Proposer, or the relevant work experience of the management team or the relevant experience of a subcontractor(s) and/or independent consultant(s). If the prior experience and demonstrated ability requirements are to be met in whole or in part by the experience of subcontractor(s) and/or independent consultant(s), documentation of the subcontractor's(s') and/or independent consultant's(s') experience and ability must be formally submitted and accepted as part of the Proposer's Narrative Proposal. Proposers should possess experience in the takeover, design, development, installation, modification and/or operation of any large scale (over 5 million transactions per year) Medicaid, Medicare or health insurer data processing systems or data processing systems related to government contracts.

2. Compliance with Contract Terms and Conditions

Proposers must certify that they have read and are willing to comply with all proposed terms and conditions addressed in RFP Main, Section V, Contract Terms and Conditions, including the terms appearing in the referenced Contract Exhibits.

3. Corporations, Partnerships and Limited Liability Companies

As required by California law, business entities must be in good standing and qualified to do business in California.

4. Non-profit Organizations

Non-profit organizations must certify their eligibility to claim non-profit status.

5. Past Business Practice

Proposers must have a past record of sound business integrity and a history of being responsive to past contractual obligations.

6. Financial Stability – Minimum Financial Criteria

In order to safeguard the interest of the State and in order to insure that a Proposer has the financial wherewithal to conduct this Contract, the Proposer shall supply the following information, as appropriate:

- a. Proposers shall submit a Financial Stability Plan incorporating the following data discussed in items 1) through 6), below, for the past two corporate fiscal years of the Proposer and the interim period from the end of the last full fiscal year up to and including the date specified for submission of Narrative Proposals.

If the Proposer is a subsidiary of any other legal entity and the financial resources of the Parent Corporation are required to qualify the subsidiary for competition under this procurement, the financial stability submission requirements for this section shall apply to the Parent Corporation.

Audited statements are preferred, but not required. DHCS will accept financial statements prepared by the Proposer's financial accounting department, accounting firm or an auditing firm. A statement signed by the Proposer's Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements. Un-audited financial statements may not be used to qualify under Section N.6., below.

- 1) Proposer's annual financial statements for the last two fiscal years, accompanied by an independent certified public accountant's (CPA) report, certificate or Opinion Statement.
 - 2) Proposer's public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of Narrative Proposals. The State does not require submittal of interim statements for the last two fiscal years for which annual reports are submitted.
 - 3) Proposer's projected pro forma financial statement and statement of changes in financial position for the next three years predicted upon operation without the award of this Contract.
 - 4) Proposer's detailed financial plan and proposed cash flow budget demonstrating that the availability and source of sufficient funds to cover the Proposer's projected operation cost without risk of insolvency were the Proposer to provide the contractual services under the Contract period.
 - 5) Proposer's organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract and criminal and/or civil legal actions that name the organization or administrative/supervisory staff that have occurred within the past five years of the Proposal submission date. If the Proposer supplies audited financial statements, all noted audit exceptions must be explained.
 - 6) All financial data submitted in the Financial Stability and Guaranty Provisions Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer's or parent corporation's Chief Executive Officer and Chief Financial Officer or Representative, certifying that the data is current, accurate and complete.
- b. In lieu of the above Section N.6.a.1)-6), Proposers may provide all of the following:
- 1) Proposer's two most recent annual certified financial statements, accompanied by an independent certified public accountant's Unqualified Audit Report or Opinion Statement (Unqualified/Clean Opinion); and
 - 2) An organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract and criminal or civil legal actions that name the organization or administrative/supervisory staff that have occurred within the past five years of the Proposal submission date. Any noted audit exceptions of the audited financial statements must be explained; and
 - 3) Evidence of capital contributions and retained earnings equal to an amount greater than twenty-five million dollars (\$25,000,000), as identified in the annual financial statements; or
 - 4) Evidence of assets under control greater than fifty million dollars (\$50,000,000), as identified in the annual financial statements.

c. Guaranty Provisions

If the Proposer is a subsidiary of another entity, the Proposer must submit a guaranty from any entity in the Proposer's chain of ownership that is publicly traded. If no such parent entity is publicly traded, the guaranty shall be submitted by a parent entity at a

level in the chain of ownership that is acceptable to DHCS. The guaranty shall meet all the requirements specified in Exhibit E, Additional Provision 31, Guaranty Provisions, be in a form satisfactory to DHCS, and provide for the full and prompt performance of all covenants, terms and conditions, and agreements throughout the term of the Contract.

d. Certification

All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer or parent corporation(s) Chief Executive Officer and Chief Financial Officer or designee certifying that the data is current, accurate, and complete.

7. Follow-on Independent Consultant Contract Disclosure

Proposers must certify their Proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation. Detailed requirements are outlined in form Follow-on Independent Consultant Contract Disclosure, Attachment 7.

PCC Section 10365.5 generally prohibits a person, firm or subsidiary thereof that has been awarded a consulting services contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services contract.

PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than ten percent (10%) of the total monetary value of the consulting services agreement. Independent consultants and employees of a firm that provides consulting advice under an original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.

PCC Section 10365.5 does not distinguish between intentional, negligent and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract and/or imposition of criminal penalties.

8. Disabled Veteran Business Enterprise Participation Requirements

Proposers must meet a DVBE participation goal of 0.25% for this solicitation.

Detailed information and instructions are outlined in RFP Main, Section Preference and Incentive Programs, and Attachment 8, DVBE Instructions/Forms. This requirement applies if the total cost or price offered equals ten thousand dollars (\$10,000) or more.

9. Darfur Contracting Act Certification

Proposers that currently have, or within three years prior to the Proposal submission date, have had business activities or other operations outside of the United States must certify that the proposing entity is either (A) not a scrutinized company, or (B) a scrutinized company that has been granted permission by DGS to submit a Proposal in response to this solicitation. A "scrutinized" company is defined in PCC Section 10476.

Detailed certification requirements appear in Attachment 10, Darfur Contracting Act Certification.

If the Proposer does not currently have and has not had, within three years prior to the Proposal submission date, any business activities or other operations outside of the United States, there is no need to complete or submit Attachment 10, Darfur Contracting Act Certification.

10. Iran Contracting Act Certification

Pursuant to PCC Sections 2202-2208, prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of one million dollars (\$1,000,000) or more, a bidder/proposer/respondent must either:

- a. Certify it is **not** on the current list of persons engaged in investment activities in Iran, created by DGS pursuant to PCC Section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for forty-five (45) days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or
- b. Demonstrate it has been exempted from the certification requirement for that solicitation or contract, pursuant to PCC Section 2203(c) or (d).

To comply with this requirement, read and complete Attachment 10, Iran Contracting Act Certification.

11. Insurance and Bonding Requirement

The winning Proposer shall supply, before Contract Effective Date (CED), proof of liability insurance and fidelity bonding that meets the requirements Exhibit E, Additional Provisions, Insurance and Bonding.

12. Conflict of Interest Compliance Certification

Proposers must certify and submit proof that no prohibited conflict of interest exists. If a conflict(s) does exist, the corrective measures that will be taken to mitigate such conflict(s) shall be submitted. Detailed requirements are outlined in Attachment 15, Conflict of Interest Compliance Certificate.

13. Warranty Against Payment of a Broker's Fee

Proposers (to include any officers, director or employees) must certify that no broker or finder has been employed, and that no liability for any brokerage fee, commission or finder's fee (or similar fees, commission or reimbursement expenses) has been incurred in connection with the transactions contemplated by this Contract.

14. Escrow Bid Documents

The winning Proposer shall supply, within six calendar days after the posting of the Notice of Intent to Award the Contract, or if a protest to the Notice of Intent to Award is filed, within six calendar days after the protest finding has been declared, the signed Escrow Bid Documents Certification form, Attachment 18, and one copy of all documentary information developed in preparation of bid prices for this procurement.

This material, known as the Escrow Bid Documents, shall meet the requirements of Exhibit E, Additional Provisions, Escrow Bid Documents.

O. General Submission Instructions

1. Proposers must adhere to all of the following:

- a) Each firm or individual may submit only one Narrative Proposal and only one Cost Proposal. For the purposes of this paragraph, "firm" includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one Narrative Proposal or one Cost Proposal, DHCS will reject all Proposals submitted by that firm or individual.
- b) A firm or individual proposing to act as a prime Contractor may be named as a subcontractor and/or independent consultant in another Proposer's Proposal. Similarly, more than one Proposer may use the same subcontractor(s) and/or independent consultant(s).
- c) Develop Proposals by following all RFP instructions and/or clarifications issued by DHCS in the form of Question and Answer Notices, Administrative Bulletins and RFP Addenda.
- d) Before submitting a Proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood. The Proposer assumes the risk that its Proposal may be rejected for failure to follow a rule or requirement which the Department interprets differently than the Proposer did in preparing its Proposal.
- e) Each Proposal must be complete with required content, attachments and documentation. Assemble the Narrative Proposal as instructed in RFP section P.4. Content Requirements. Assemble the Cost Proposal as instructed in RFP section P.3. Content Requirements.
- f) Proposal copies or sets and accompanying CD-R/DVD-R must match the Proposal marked Original. The Original Proposals take precedence over all hard copies and accompanying CD-R/DVD-Rs. The hard copies of the Original and the CD-R/DVD-R copies shall be exact replicas of the original Narrative Proposal and Cost Proposal.
- g) A person who is authorized to bind the Proposer must sign each RFP attachment that requires a signature. If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
- h) Signatures may be scanned on the accompanying CD-R/DVD-R copies.
- i) Do not mark any portion of the Proposal response, any RFP attachment or other item of required documentation as "Confidential" or "Proprietary". DHCS will disregard any language purporting to render all or portions of a Proposal confidential or proprietary.
- j) Proposals may not be transmitted electronically by fax or email.
- k) The Narrative Proposal and the Cost Proposal must be submitted at the same time.

2. Proof of timely receipt

- a. All mailed Proposals will be dated and time stamped upon receipt at DHCS. Proposals hand delivered will be issued a date and time stamped receipt at the time the Proposal is delivered.
- b. To be timely, DHCS OMCP must receive each Proposal at the stated delivery address **no later than 4:00 PM** Pacific Time on the Proposal submission due date. A U.S. postmark will not serve as proof of timely delivery.

3. Proposer costs

Proposers are responsible for all costs of developing and submitting a Proposal. Such costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

P. Narrative Proposal Submission, Format and Content Requirements

1. General Instructions

Narrative Proposals shall be straightforward, detailed and precise. DHCS will determine the responsiveness of the Narrative Proposal by its quality, not by its volume, packaging or colorful displays.

2. Submission Requirements

- a. Submit the Narrative Proposal to DHCS, as instructed per RFP Main, Sections B and C.
- b. The Narrative Proposal package shall include one original printed version, (TBD # of) printed copies and one CD-R/DVD-R copy. The printed copies and the CD-R/DVD-R shall be exact duplicates of the original printed version.
- c. Write the words "Original Narrative Proposal" on the spine of the binder containing the original Narrative Proposal version, as well as on the front binder cover and front cover page of the original version. Label the printed copies as Copy #1 of X, Copy #2 of X, Copy #3 of X, etc., in the same manner as the original version.
- d. Label the CD-R/DVD-R "Original Narrative Proposal" and place it in a protective sleeve that bears the RFP number and title. Place it in the container that contains the first binder of the original Narrative Proposal version.
- e. Place all the binders in a box(es) or other container(s). If more than one container is submitted, carefully address each one as instructed below, and label the outside of each container as "Box 1 of X", "Box 2 of X", etc.
- f. The Narrative Proposal must be distinctly identified as follows on the exterior of the box(es):

NARRATIVE PROPOSAL FOR RFP 13-90271
CALIFORNIA DENTAL ADMINISTRATIVE SERVICES ORGANIZATION
"Box 1 of X", "Box 2 of X", etc.

3. Format Requirements

- a. Format each printed page using one-inch margins at the top, bottom and both sides.
- b. Use a font size of not less than eleven (11) points.
- c. Print pages single-sided on white bond paper.
- d. Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.

4. Content Requirements

This section specifies the order and content of each Narrative Proposal. Assemble the materials in each Narrative Proposal version in the following order:

a. Proposal Cover Page

A person authorized to bind the Proposer must sign Attachment 1, Proposal Cover Page. If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

b. Table of Contents

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

c. Executive Summary Section

This section must not exceed eight pages in length.

In preparing the Executive Summary, do not simply restate or paraphrase information in this RFP. Describe or demonstrate, in the Proposer's own words, the following information:

- 1) An understanding of the Department's needs and the importance of this project.
- 2) The tangible results that are expected to be achieved.
- 3) A sincere commitment to perform the SOW in an efficient and timely manner.
- 4) How this project will be effectively integrated into the proposing firm's current obligations and existing workload.
- 5) Why the proposing firm should be chosen to undertake this work at this time.

d. Proposing Firm's Capability

- 1) Include a brief history of the proposing firm, including:
 - a) Date of establishment. If applicable, explain any changes in business history (i.e., name change, ownership, partnership arrangements, etc.) or organizational

structure that will assist DHCS in determining the qualifications of the proposing firm.

- b) A description of the proposing firm's goals that are relevant, closely related or which complement this project.
- 2) Describe experience that qualifies the proposing firm to undertake this project. At a minimum, the experience cited shall be for three years of consecutive experience within the past five years of the Proposal submission date, except for item a)ii, below, which shall not have a time limit. It is possible to attain the experience types listed below during the same time period.
- a) Provide a statement of experience which the Proposer believes qualifies the Proposer to undertake this Contract. Proposers shall report on the types of experiences in the following order:
 - i. Takeover of an existing Medicaid or Medicare system.
 - ii. Design, development, installation, operation, modification and management of a Medicaid or Medicare system. This item may be merged with item (i) above, but the Proposer should clearly indicate if the contract was for takeover of an existing system (whose system it was; transfer of an existing system; or design, development, and installation of a new system).
 - iii. Takeover, design, development, installation, modification and/or operations of any other large-scale (over five million (5,000,000) transactions per year) data processing or health insurer system. Experience cited here shall include the Proposer's experience in establishing and maintaining effective working relationships with government entities, local community-based organizations and private non-profit organizations.
 - iv. Identification of whether the Proposer or any of its proposed subcontractors and/or independent consultants have had a contract terminated for failure to perform. Also identify whether the Proposer or any of its proposed subcontractors and/or independent consultants have been removed from a governmental bidder's list as a result of failure to perform or failure to comply with financial requirements.
 - v. Previous experience within the last five years of the Proposal submission date with any subcontractor and/or independent consultant relationship proposed or any previous joint working experience with any subcontractors and/or independent consultants proposed in the Narrative Proposal.
 - vi. Implementation of a health insuring system that was underwritten by the Proposer and in which providers were paid on a fee-for-services basis.
 - vii. Implementation and operation of any comparable health system.
 - b) For each type of experience reported above, Proposers shall provide:
 - i. Type of contract under which the previous work was performed (e.g., fixed price, fixed rate, cost-reimbursement).

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- ii. Client size.
 - iii. Number of transactions per year.
 - iv. Complexity and scope of the system, including the nature of reporting systems.
 - v. Scope of work performed (e.g., fiscal agent, facilities manager).
 - vi. Reason for contract termination, if the contract is no longer in effect.
 - vii. Number of person-months devoted to design, development, maintenance and implementation of projects.
 - viii. Performance problems encountered during the period of contract operations, including any that resulted in delays or non-payment to the contractor. Specific attention should be given to any problems encountered in meeting cycle-time requirements, including backlogs in the front-end of the system (e.g., mail room, key entry).
 - ix. Status of the Proposer (e.g., prime contractor, subcontractor or independent consultant).
 - x. Percentage of service performed by subcontractors and/or independent consultants.
 - xi. Certification of system for Medicaid system (e.g., currently federally certified) and whether, in the last ten (10) years, the system or the Department has lost federal certification or had any reduction in federal financial participation (FFP) due to loss of certification. Describe any problems and/or loss of FFP.
 - xii. Whether the experience is that of the Proposer or a subsidiary of another business entity. If experience is gained as a subsidiary of another business entity and the Proposer relies at all on the business experience of that entity, the Proposer experience submission requirements of the RFP shall apply to the other business entity.
- c) Submit a description of other existing and projected Medicaid or Medicare contracts, projects or obligations and the resources required to fulfill each. Describe any foreseeable conflicts between the existing or projected obligations and this Proposal in respect to business resources, personnel, computer time and financial resources.
 - d) Describe Proposer's experience in designing, developing and implementing innovative programs and techniques that result in cost-savings and proposing new and creative ideas for increasing the Department's control over the expenditure of program dollars.
 - e) Describe Proposers experience in meeting the State's current system, and possessing sufficient flexibility to meet future needs as they are identified.
- 3) Briefly, describe the accounts or work projects begun and/or completed within the past five years of Proposal submission date that involved services similar in nature or

closely related to the SOW in this RFP. For each account or project listed, include the following information:

- a) Name of agency or firm for whom services were performed.
 - b) Identification of a contact person.
 - c) Duration or length of the project.
 - d) Total cost or value of the project.
 - e) Indicate if the account or project is “active/open” or “closed/settled”.
 - f) Indicate if the account or project was terminated early.
 - g) Indicate the reason for termination if account or project is no longer “active/open”.
 - h) Describe briefly the type and nature of the services performed.
- 4) Briefly describe any experience that demonstrates the proposing firm’s ability to establish and maintain effective working relationships with government entities, local community-based organizations and private non-profit organizations.
 - 5) Identify three client references to which the proposing firm has provided service in the past five years that can confirm their satisfaction with the services, and confirm that the proposing firm provided timely and effective services or deliverables. Use Attachment 3, Client References form for this purpose. Place the completed Client References form in the Forms Section of the Proposal.
 - 6) DHCS **will** contact references to validate the information provided by the Proposer to determine the client’s overall satisfaction with the services provided. Please be sure points of contact for the selected references are current. Please be sure the references are prepared to confirm the information provided and that references will be available during the period of time that DHCS will be validating references (following the submission of the Proposal). References that fail to respond to the Department will not be considered a valid reference and may result in determining a Proposer to be found nonresponsive.

e. Management Plan

- 1) Describe how the proposing firm will effectively coordinate, manage and monitor the efforts of the assigned staff, including subcontractors and/or independent consultants, if any, to ensure that all tasks, activities and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls that will be employed to ensure the responsible use and management of Contract funds and accurate invoicing. Include at a minimum, a brief description of all of the following:
 - a) How the costs incurred under this project will be appropriately accounted for and only applicable project expenses will be billed to DHCS (e.g., use of unique account/project codes, etc.).
 - b) The proposing firm’s fiscal reporting and monitoring capabilities (e.g., spread sheets, automated fiscal reports, quality controls, checks and balances, etc.) to ensure Contract funds are managed responsibly.
 - c) Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not an option.

- d) Identification of the documentation that will be retained on file or submitted to DHCS, upon request, to prove, support and/or substantiate the expenses that are invoiced to DHCS.
 - 3) Include an organization chart as instructed in RFP Main, Section O.3, subsection i. Appendix Section. Place the organization chart in the Appendix Section of the Proposal.
 - 4) Include financial statements as instructed in RFP Main, Section O.3, subsection I. Appendix Section. Place the financial statement in the Appendix Section of the Proposal.
- f. Work Plan

1) Overview

- a. Proposals should provide well-organized, comprehensive and technically-sound business solutions. Vague explanations will undermine the proposing firm's credibility and may result in reduced Narrative Proposal scores.
- b) The Work Plan must include an in-depth discussion and description of the methods, approaches and step-by-step actions that will be carried out to fulfill all SOW requirements found in Exhibit A, Attachments I through IV.
- c) If the nature of a task or function hinders specific delineation of in-depth methods and procedures (e.g., a task is dependent upon a future action, or multiple approaches may be used), explain the probable methods, approaches or procedures that will be used to accomplish the task or function. Also, in this instance, describe how the proposing firm will propose the ultimate strategies and detailed plans to DHCS for full consideration and approval before proceeding to carry out the project.

2) Takeover Project Plan

Requirements for Takeover are described in Exhibit A, Attachment I, Takeover and Exhibit E, Additional Provisions.

The Proposer must submit a Takeover Project Plan that describes in detail the Proposer's ability to perform the duties and responsibilities outlined in Exhibit A, Attachment I, Takeover. Using the requirements from Exhibit A, Attachment I, Takeover and the instructions for the Project Plans from Exhibit E, Additional Provisions, Project Management Plan, include in the Narrative Proposal a comprehensive Management Plan for Takeover containing all key requirements. All Project Management Plans shall conform to current Project Management Institute (PMI) and Institute of Electrical and Electronics Engineers (IEEE) standards.

The Proposer must include all Takeover considerations, including assumption, maintenance and enhancement of the CD-MMIS. Takeover includes all the Expansion Item activities. Proposers must demonstrate their understanding of the complexity and inherent risk of the system's age and describe how they would mediate these risks while still meeting the aggressive schedule for takeover of CD-MMIS.

g. Project Personnel Plan

- 1) In this section, describe the proposed Personnel Plan. In the Personnel Plan, include at a minimum:
 - a) Title of all proposed positions.
 - b) Number of personnel in each position.
 - c) By position, indicate the full time equivalent (FTE) or percentage of staff time devoted to this project (e.g., full time = 1.0, 1/2 time = .50, 3/4 time = .75, 1/4 time = .25, projected number of hours, if hourly, etc.).
 - d) Include a job description or duty statement for each position title or classification that will perform the work. The job descriptions must indicate the typical tasks and responsibilities that will be assigned to the position and may include desired or required education and experience. Place all job descriptions or duty statements at the end of the Project Personnel Section.
 - e) Identify by name and/or position title each key staff person that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with DHCS (i.e., Project or Program Manager, Project or Program Director, Contract Manager, etc.).
 - i. Briefly, describe each person's expertise, capabilities and credentials.
 - ii. Emphasize any relevant past experience in directing, overseeing, coordinating or managing other government projects.
 - f) Include a one-to-two page resume for each key staff person (professional, managerial or supervisory) that will exercise a major administrative, policy or consulting role in carrying out the project work. Place staff resumes in the Appendix Section. Resumes must not include personal information such as a social security number, home address, home telephone number, personal email address, marital status, sex, birth date, age, etc.
- 2) Submit a Personnel Acquisition Plan which encompasses the following:
 - a) Briefly, describe the administrative policies or procedures that will be used to recruit and select well-qualified, competent and experienced in-house staff, subcontractors and/or independent consultants. For additional requirements, see Exhibit A, Attachment I, Takeover.
 - b) Include a description of methods to ensure that qualified staff is hired to meet the needs of the specialized areas without interruption to services during Takeover and the transition to Operations. This plan should also include contingencies to ensure that services to providers and beneficiaries continue without interruption.
 - c) If employee recruitment/selection policies or procedures are present in an Operations manual, excerpts from such manuals may be cited. Do not simply indicate that such policies exist and do not attach copies of any policies or

manuals to the Proposal. If deemed necessary, the Department may request copies of existing manuals or policies.

- d) Briefly, describe the processes or procedures that will be used to ensure vacancies are filled expeditiously and that services are continued despite the presence of vacancies.
- 3) If subcontractors and/or independent consultants will be used to perform Contract services, Proposers must do the following at the time of Proposal submission:

Indicate if the Proposer has pre-identified any subcontractor(s) or independent consultant(s) to perform the work or if recruitment will occur later. For each pre-identified subcontractor and/or independent consultant include all of the following:

- a) Full legal name.
 - b) A job description or duty statement that outlines the duties and functional responsibilities that will be assigned to the subcontracted firm or independent consultant.
 - c) A brief explanation as to why each subcontractor and/or independent consultant was chosen. Stress things such as applicable skills, knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, notoriety in a field or specialty, etc.
 - d) A one-to-two page resume for each pre-identified subcontractor and independent consultant. Place all subcontractor and/or independent consultant resumes in the Appendix Section. Resumes must not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
 - e) A Letter of Agreement, signed by an official representative of each subcontractor and independent consultant, acknowledging their intended participation and availability, and confirmation that the official representative has read or been made aware of the terms and conditions of the proposed Contract. Place all subcontractor and/or independent consultant Letters of Agreement in the Appendix Section.
 - f) Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to Contract execution. The pre-identification of a subcontractor(s) or independent consultant(s) does not affect the Department's right to approve personnel or staffing selections or changes made after the Contract award.
- 4) For subcontractors and/or independent consultants that cannot be identified when the Proposal is submitted to DHCS or is to be determined after the Contract is executed, include:
- a) An identification of the functions, activities and responsibilities that will be assigned to each subcontractor and/or independent consultant.

- b) A description of the process that will be used to obtain DHCS approval of each subcontractor and/or independent consultant selection along with approval of assigned responsibilities.

h. Management Team

- 1) Provide a narrative description of the management team that will be assigned to this Contract. The narrative shall include all senior management members who will be responsible for the following requirements (Refer to Exhibit I, Staffing Qualifications):
 - a) All activities assigned to the Contractor Representative.
 - b) All activities assigned to the Takeover Director.
 - c) All administrative and financial activities.
 - d) All scanning, processing and auto adjudication activities of claims/TAR.
 - e) All EPMO activities.
 - f) All activities of the SG.
 - g) All Quality Management activities.
 - h) All Information Security and Privacy Office activities.
 - i) If applicable, Project Manager for any major subcontractor(s). The narrative shall contain a thorough discussion of the authority and responsibility of the Contractor Representative.
 - j) If different managers handle the Takeover and Operation activities, please indicate.

All members of the management team must have experience in their functional areas. If members of the management team are not proposed to be employees of the Contractor, those members must be employed by a subcontractor(s) listed in the Narrative Proposal. The Narrative Proposal shall contain a description of the Contractor Representative's role and responsibility in providing and managing the delivery of computer operations support.

For each major Contract activity and responsibility proposed to be performed by a subcontractor(s) and/or independent consultant(s), include a description of how the Contractor will ensure performance by the subcontractor(s) and/or independent consultant(s) and the control that the Contractor Representative will have over the subcontractor(s) and/or independent consultant(s).

2) Qualifications

Proposers shall thoroughly describe the qualifications, experience and skills of the individual members of the management team. This description shall include:

- a) The current job title of each management team member and whether a Contractor, subcontractor or independent consultant employs the member. If the

member is employed by a subcontractor or independent consultant, identify that subcontractor or independent consultant.

- b) A brief description of each management team member's management experience (i.e., size of contract, duration). Include each management team member's experience with the Proposer's firm, or with the subcontractor(s) and/or independent consultant(s) proposed, as part of the Narrative Proposal. Indicate the length of management experience of each management team member, whether in the Proposer's firm or with another organization's firm.
 - c) A description of the personal qualification(s) (e.g., skills in communication, analysis, problem solving, planning and decision-making) of each management team member.
 - d) An indication of the recent timeframe of each management team member's experience and its relevance or similarity to the major tasks to be performed under this Contract.
 - e) Include a one-to-two page resume for each key staff person (professional, managerial or supervisory) who will exercise a major administrative, policy or consulting role in performing the project work. Place staff resumes in the Appendix Section. Resumes must not include personal information such as a social security number, home address, home telephone number, personal email address, marital status, sex, birth date, age, etc.
- 3) Individual Authority

Proposers shall describe the span of control and authority to be assigned to each member of the management team. This description shall include a complete report of each of the following:

- a) The division of responsibility among each of the members of the management team and the percentage of time each person will be assigned to this Contract. Include a description of other responsibilities for each individual.
 - b) An organization chart illustrating the span of control to be assigned to each management team member. Show reporting relationships within the team as well as subcontractor(s) and/or independent consultant(s) to team members, and reporting relationships of the Contractor Representative to the Data Center and to major subcontractor(s) and/or independent consultant(s). Include a description of the level of placement of each member within the organization, with the level of detail showing at the unit level.
- 4) Continuity

- a) Proposers shall describe proposed individuals' willingness and availability to perform the work required in this Contract. Proposers shall also describe the method(s) to be used to replace, should the need arise, a management team member with someone with equal or greater qualifications. This shall include management team members identified in the Narrative Proposal who are currently proposed to work on any other contracts and the manner in which their availability will be guaranteed for this Contract. The Contractor shall describe past contract experience it has had in working with its customers in the

replacement of its management personnel assigned to a large contract.

- b) The Contractor shall guarantee that any senior manager identified in its Narrative Proposal will be assigned to this Contract for at least the first two years, and the Contractor Representative for at least the first three years, unless that employee:
 - i. Leaves the employment of the Contractor, any of its affiliates, or a subcontractor or any of its affiliations; or
 - ii. Is given advance written Contracting Officer approval.

5) Organization charts

The Proposer shall submit a complete description of its organizational structure and areas of technical capability. This description shall provide the following:

- a) An organization chart and narrative that describes the organizational structure of the business, shows the location of the proposed Contract in the Proposer's firm and indicates if such location is an operation unit, separate location or wholly owned subsidiary. Include a complete description of the division of responsibility within the business.
- b) An organization chart detailing the relationship of the Proposer to all parent entity(s), corporation(s) and affiliate(s) if the Proposer is a wholly owned subsidiary organization. Include a complete description of the division of responsibilities, decision-making processes and reporting relationships between the Proposer and its parent(s) or affiliate(s), subcontractors and/or independent consultants, if any.
- c) Instructions are explained in the Appendix Section. Place the organization charts in the Appendix Section of the Proposal.

i. Facilities Plan

The Proposer shall submit a Facilities Plan that describes the firm's ability to perform the duties and responsibilities outlined in the SOW, Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, Operations and the ability to meet the requirements as listed in Exhibit E, Additional Provisions. The plan shall describe the current:

- 1) Office facilities at the Proposer's disposal including number of offices owned or leased, square footage, number of staff housed and physical location and address.
- 2) Support services and office equipment capabilities immediately available and/or accessible for use in carrying out Takeover and the proposed SOW. Include at a minimum:
 - a) A description of the range and/or type of support services available and number of staff.
 - b) Messenger, delivery, shipping, distribution and transport capabilities.

- c) Teleconferencing and telecommunications capabilities.
 - d) Printing/reproduction and photocopying capabilities.
 - e) Computer hardware and system capabilities (i.e., number, type, size, age, capacity and speed of personal computers or work stations and servers, Local Area Network capabilities, Wide Area Network capabilities, data transfer capabilities (disc or tape), data storage capacity, video/graphics capabilities, etc.).
 - f) Software applications in use (word processing applications, spread sheet applications, data base applications, graphics development applications, web page design applications, unique or other specialized software applications, etc.).
 - g) Other support functions and capabilities that can be accessed and/or utilized.
- 3) Submit a Facilities Acquisition Plan that describes the Proposer's ability to perform the duties and responsibilities outlined in Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, SOW. Include information regarding facilities and other resources that must be acquired to fulfill the work required in the Contract, such as:
- a) Identify any facilities, support services or equipment that must be purchased, rented or leased on a long- or short-term basis to perform the services described in this RFP.
 - b) Describe the interdependencies of the facilities acquisition and installation as it relates to other Takeover tasks.
 - c) Describe how the plan provides for the monitoring of plan progress and timely reporting to the Department.
- j. Security and Confidentiality Plan
- The Proposer shall submit a Security and Confidentiality Plan that describes the ability to perform the duties and requirements for Security, Confidentiality and Privacy as described in Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, Operations, and the ability to meet the requirements listed in Exhibit E, Additional Provisions and Exhibit H, Health Insurance Portability and Accountability Act (HIPAA) Business Associate Agreement (BAA). The Proposer must describe its approach to maintaining security, confidentiality and privacy for the duration of the Contract.
- k. System Test Plan
- The Proposer shall submit a System Test Plan that describes the ability to perform the duties and responsibilities outlined in the SOW, Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, Operations.
- 1) Describe the method to conduct two parallel tests of CD-MMIS.
 - 2) Describe System Test documentation standards.
 - 3) Describe control procedures.

- 4) Describe manual, clerical and operating procedures used to validate Quality Management procedures for setting accuracy and error levels and monitoring for Contract compliance.

I. Claims/TARs Auto Adjudication Processing Plan

The Proposer shall describe how it plans to manage auto adjudications of the Claims/TAR Processing area of the Contract to ensure Contract requirements are met and performance is successful. The Proposer shall discuss its understanding of the following:

- 1) Work to be performed.
- 2) Requirements described in Exhibit A, Attachment II, Operations.
- 3) Interrelationships and functional dependencies.
- 4) Changes, if any, that are required to accomplish claims/TAR processing activities.
- 5) Impact(s) of the auto adjudication claims/TAR processing activities on the Department, the Administrative Services Organization (ASO) Contractor, providers and beneficiaries.
- 6) Any other special considerations.

m. Quality Management Plans

The Proposer shall describe how it plans to manage the Quality Management area of the Contract to ensure Contract requirements are met and performance is successful. Include a description of how the Proposer will ensure that it will meet continued quality improvement within its operation. The Proposer shall discuss its understanding of the following:

- 1) Work to be performed.
- 2) SOW requirements described in Exhibit A, Attachment II, Scope of Work.
- 3) Inter-relationships and functional dependencies.
- 4) Changes, if any, needed to accomplish Quality Management activities.
- 5) Impact(s) of Quality Management activities on the Department, providers and beneficiaries.
- 6) Any other special considerations.

n. Systems Group Procedures and Organization Plan

The Proposer shall describe how it plans to manage the SG Procedures and Organization area of the Contract to ensure Contract requirements are met and performance is successful. Include methods that it will use to ensure that system changes are installed in a timely, accurate and efficient manner. The Proposer shall discuss its understanding of the following:

- 1) Work to be performed.
 - 2) How the Proposer will ensure system changes are completed promptly and timely, and within estimated cost, including how the Proposer will system-test any changes to ensure that errors are not introduced into the system.
 - 3) SOW requirements described in Exhibit A, Attachment II, Operations.
 - 4) Interrelationships and functional dependencies.
 - 5) Changes, if any, required to accomplish SG Procedures and Organization activities.
 - 6) Impact(s) of SG Procedures and Organization on the Department, providers and beneficiaries.
 - 7) How the Proposer will ensure that staff work on Department-defined priorities and how the status of the ongoing work will be communicated to the Department.
 - 8) Any other special considerations.
- o. Enterprise Project Management Office Plan

The Proposer shall describe how it plans to manage and support the EPMO area of the Contract to ensure Contract requirements are met. Include a brief description of procedures, processes, methods and tools that will be used to ensure the EPMO is providing the overall resources to ensure that performance is successful.

The Proposer must describe its approach to maintaining the EPMO for the duration of the FI Contract. The Proposer must submit an Enterprise Project Management Office Plan that meets the requirements of Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, Administrative Support of Contract Changes.

p. Acceptance Testing Plan

The Proposer shall submit an Acceptance Testing Plan that describes the ability to perform the duties and responsibilities outlined in the Takeover and Scope of Work requirements of this RFP. For additional requirements see Exhibit A, Attachment I, Takeover.

- 1) Proposers must include a description of its Acceptance Testing strategy, methodology, and schedule. The plan must also include a description of the tool(s) for the tracking and reporting of testing activities including, but not limited to, end to end testing, documentation of test scripts, test results error resolution and retesting.
- 2) Proposers must describe their proposed coordination with State users in developing test scenarios, test cases, reporting test results and resolving defects

q. Business Rules Extraction

Requirements for the Business Rules and requirements traceability are described in Exhibit A, Attachment I.

Proposers must describe their approach to rules extraction. The description should identify required Proposer and State resources, any automated tools proposed, and demonstrate how the approach will lead to a more accurate picture of the CD-MMIS System business functionality and the gaps between this functionality and the written program guidelines.

- 1) Proposers must include a Project Management Plan with clear identification of the schedule, proposed resources and work products.
- 2) Proposers must describe the business rule taxonomy they propose to use and how the taxonomy is integrated with and/or supported by their approach and tools.
- 3) Proposers must justify their selection of a requirements traceability tool and describe how they believe it will support collection and indexing of the business rules to produce a requirements traceability of requirements, including test cases and policy updates through the duration of the FI Contract and beyond.

r. Appendix Section

Place the following documentation in the Appendix Section of the Proposal in the order shown below.

- 1) Proof of eligibility to do business in California

If the Proposer is a Corporation, Partnership or Limited Liability Company, submit **either** a copy of the proposing firm's most current Certificate of Status issued by the State of California, Office of the Secretary of State, **or** submit a downloaded copy of the proposing firm's on-line status information from the California Business Portal website of California's Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm's Bylaws or Articles of Incorporation. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

- 2) Proof of non-profit status

Non-profit organizations must prove legal eligibility to claim "non-profit" and/or tax-exempt status by submitting a copy of an Internal Revenue Service (IRS) determination letter indicating non-profit or 501 (3) (c) tax-exempt status. Submit an explanation if this documentation cannot be supplied. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

- 3) Organization charts

All organization charts must meet the requirements as stated in the RFP Main. The charts shall detail the distinct lines of authority between and among the divisions that will perform the Contract work and the primary reporting relationships within the Proposer's organization. Show the relationships between management, key decision makers, supervisory personnel and subcontractors and/or independent consultants, if any. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

4) Financial statements

See the Qualification Requirements under RFP section. N, 6. Financial Stability Requirements, for the appropriate documents to include in the Appendix Section. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

5) Contractor staff resumes

Resume specifications appear in the Project Personnel Section. Resumes should not exceed one-to-two pages in length per person and must not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

6) Subcontractor and/or independent consultant resumes

Submit a resume for each pre-identified subcontractor and/or independent consultant, if any, as discussed in the Project Personnel Section. Resumes should not exceed one-to-two pages in length per person and shall not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

7) Subcontractor and/or independent consultant Letters of Agreement

For each pre-identified subcontractor and/or independent consultant that will be used to perform services under the resulting Contract, submit a Letter of Agreement to work on this project.

A Letter of Agreement must be signed by an official representative of each subcontractor and/or independent consultant, acknowledging his/her intended participation and availability to perform work required by this Contract and acknowledging they have read or been made aware of the terms and conditions of the proposed Contract. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.

Include an explanation if a Letter of Agreement cannot be obtained from each pre-identified subcontractor and/or independent consultant by the Proposal deadline. All Letters of Agreement must be submitted to DHCS prior to Takeover commencement.

8) Attestations

- a) An attestation that this Contract will be a high priority to the Proposer and that the Proposer is committed to supplying any necessary resources to meet its contractual obligations.
- b) An attestation from each subcontractor and/or independent consultant that this Contract is of high priority to the subcontractor and/or independent consultant, and that the subcontractor and/or independent consultant is committed to supplying any necessary resources to assure full performance of the Contract.

- c) An attestation from each parent organization, if any, that this Contract is of high priority to the parent organization and that the parent organization is committed to supplying all necessary resources to assure full performance of the Contract. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist.
- 9) Conflict of Interest Compliance Certification
- a) Proposers are required to submit Attachment 16 certifying that the proposing firm:
- i. Is not currently involved with or connected to any contractor, subcontractor or independent consultant that is contracted with any Medi-Cal Managed Care health plan, provider or billing agent for Medi-Cal Services.
 - ii. Understands that the conflict of interest requirements shall remain in effect for the entire term of the Contract.
- b) All subcontractors and independent consultants are required to submit Attachment 16.
- c) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of the Department before the award of the Contract, the conflict will be grounds for deeming a Proposal non-responsive.
- d) Proposers must assess their own situation according to the Attachment 16 Conflict of Interest Compliance Certification.
- e) Proposers, subcontractors and independent consultants must complete and submit required documentation according to the instructions in Attachment 16.
- f) Place Attachment 16 and any accompanying documentation in the Appendix Section of the Proposal. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist. Forms Section

Complete, sign and include the Attachments listed below. When completing Attachments, follow the instructions in this Section and any instructions appearing on the Attachments. After completing and signing all required Attachments, assemble in the order shown below. Check the appropriate box on Attachment 2a, Narrative Proposal Required Attachments/Certification Checklist.

Attachment	Instructions
<p>2a - Narrative Proposal Required Attachment/Certification Checklist</p>	<p>Check each item with “Yes”, “No” or “N/A”, as applicable, and sign and include this form in the <u>Narrative</u> Proposal. If necessary, explain the choices marked.</p> <p>If a Proposer marks “Yes”, “No” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response” determined by DHCS to be unsatisfactory or insufficient to meet a requirement may cause a Proposal to be deemed nonresponsive.</p>
<p>3 - Client References</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal. Identify three clients serviced within the past five years of the Proposal submission date that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services and/or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.</p>
<p>4 - RFP Clause Certification</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contract certification clauses appearing in the RFP Section entitled, “Bid Requirements and Information,” subsection “Bidding Certification Clauses”.</p>
<p>5 - CCC 307 – Certification</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The Attachment supplied in this Proposal represents only a portion of the Contractor information in this document. Visit this website to view the State’s Standard Contract Language:</p> <p>http://www.ols.dgs.ca.gov/Standard+Language/default.htm.</p>
<p>6 - Payee Data Record</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal.</p>

Attachment	Instructions
7 - Follow-on Independent Consultant Contract Disclosure	Complete, sign and include this form in the <u>Narrative</u> Proposal. If applicable, attach to this form the appropriate disclosure information.
8 - DVBE Instructions/Forms & Participation	Complete, sign and include this form in the <u>Narrative</u> Proposal. Read and carefully follow the completion instructions in Attachment 8. Attach the documentation that is required for the form(s) that are submitted. One and/or both of these two forms may be required.
9 - Darfur Contracting Act Certification	If applicable, complete, sign and include this form and the required documentation in the <u>Narrative</u> Proposal, using the detailed completion instructions included on the Attachment.
10 - IRAN Contracting Act Certificate	If applicable, complete, sign and include this form and the required documentation in the <u>Narrative</u> Proposal, using the detailed completion instructions included on the Attachment.
11 - Non-Small Business Subcontractor Preference Instructions 11a-Non-Small Business Subcontractor Preference Request 11b-Small Business Subcontractor/Supplier Acknowledgement	<p><u>Submission of these forms is optional.</u></p> <p>If it is determined that the forms will be submitted, complete, sign and include these forms in the <u>Cost</u> Proposal. Include Attachments 10a and 10b only if the proposing firm is a not a certified small business but is requesting a subcontractor bidding-preference by committing to use one or more certified small business subcontractors for an amount equal to at least twenty-five percent (25%) of the total bid price.</p>
12 - Bid Sheets	Completion of the forms is explained in Attachment 12, Bid Sheet Instructions. Complete, sign and include this form in the <u>Cost</u> Proposal. This form certifies that the Proposer's Cost Proposal Bid Sheets, Attachments, 13.1 through 13.9, include all costs necessary to perform the services in Exhibit A, Attachment I, II, III and IV.

Attachment	Instructions
13 - "Voluntary" Letter of Intent	This is a non-binding Letter of Intent whose purpose is to assist DHCS in determining the staffing needs for the Proposal evaluation process and to improve future procurements (refer to Section I, "Voluntary" Non-Binding Letter of Intent).
14 - Request for Inclusion on Distribution List	This is a voluntary request form, which will allow DHCS to continue to provide your firm with the automatic updates to this RFP (refer to RFP Section Q, Bid Requirements and Information).
15 - Conflict of Interest Compliance Certificate	<p>To be completed by Proposer, subcontractors and independent consultants.</p> <p>All above must complete, sign and, if applicable, attach required documentation according to the instructions and include the form in the Proposal.</p> <p>All above must assess their own situation according to the information in this Attachment.</p> <p>In the event any of the above have a suspected or potential conflict relationship, the Proposer, subcontractor or independent consultant must provide a written statement to DHCS that describes what relationship it has with the entity in question, its plan for protecting DHCS from any potential conflict or negative impact and procedures to guard against the existence of an actual Conflict of Interest.</p>
16 - Target Area Contract Preference Act Request	Submission of this form is optional. Complete and return this form, only if the proposing firm is based in California, and the total bid price is \$100,000 or more, and DHCS has not pre-set any part of the work location, and the Proposer wishes to apply for TACPA preference.
XX - Evaluation Questions	For the purposes of the evaluation, please read and carefully respond to the mandatory requirements and services listed.
XX - Proposer Response Guide	Use the instructions in this guide to provide within the Proposal the location of responses to Submission Requirements and Evaluation Questions.

Q. Cost Proposal Submission, Format and Content Requirements**1 General instructions**

- a. The Cost Proposal Bid Sheets, Transmittal Letter and the Cost Proposal Required Attachment/Certification Checklist, Attachment 2b, are to be submitted separately from the Escrow Bid Documents and the Narrative Proposal.
- b. The Cost Proposal package is comprised of all completed Bid Sheets, Attachments 12.1 – 12-6, the Cost Proposal Transmittal Letter and the Cost Proposal Required Attachment/Certification Checklist, Attachment 2b.
- c. Upon request, and at no cost to Proposers, a CD in Excel format will be provided which contains embedded formulas to be used to calculate bids. Proposers may request the disk by contacting OMCP at (916) 552-8006.

2 Submission Requirements

Submit the Cost Proposal to DHCS, as instructed per RFP Main, Sections X and X.

- a. The Cost Proposal package shall include one original printed version, (TBD # of) printed copies and one CD-R/DVD-R copy in Microsoft Excel spreadsheet format. The printed copies and the CD-R/DVD-R shall be exact duplicates of the original printed version
- b. Write the words “Original Cost Proposal” on the spine of the binder containing the original Cost Proposal version, as well as on the front binder cover and front cover page of the original version. Label the printed copies as Copy #1 of X, Copy #2 of X, Copy #3 of X, etc., in the same manner as the original version.
- c. Label the CD-R/DVD-R “Original Cost Proposal and place it in a protective sleeve that bears the RFP number and title. Secure it into the original Cost Proposal binder.
- d. Package the original Cost Proposal and all copies in a sealed box(es), separate from the Narrative Proposal and the Escrow Bid Documents.
- e. The Cost Proposal must be distinctly identified as follows on the exterior of the box(es):

COST PROPOSAL FOR THE RFP 13-90270
CALIFORNIA DENTAL FISCAL INTERMEDIARY MEDICAID MANAGEMENT
INFORMATION SYSTEM
- f. If more than one box is submitted, carefully address each one as instructed above and mark on the outside of each box, “Box 1 of X”, “Box 2 of X”, etc
- g. The Cost Proposal Transmittal Letter and the original Attachment 2b, Cost Proposal Required Attachment/Certification Checklist, are to be submitted in a sealed envelope, which is to be taped to the outside of the sealed box that contains the original Cost Proposal.

3. Format Requirements

- a. Hard copy pages of the Cost Proposal must be printed single-sided on white bond paper that is three-hole punched, and submitted in loose leaf or three ring binders.
- b. Assemble Cost Proposal Bid Sheets in numerical order.
- c. All original Cost Proposal documents that require a 'wet' signature are to be signed in a color other than black ink by the person authorized to bind the Proposer to the Cost Proposal. Signature stamps are not acceptable.
- d. All original-signed documents are to be placed in the Cost Proposal set marked "Original Cost Proposal", the exception being the Cost Proposal Transmittal Letter and Attachment 2b, which are to be submitted in a separate sealed envelope, as described in 1.h. above.
- e. The original-signed Cost Proposal documents may be photocopied for placement in the TBD duplicate hard copies.

4. Content Requirements

a. Bid Sheet Instructions

- 1) Proposers shall propose a fixed price on each Bid Sheet, Attachments 12.1 through 12.8, in accordance with the instructions provided in this RFP. All Bid Sheets shall be submitted as part of the Cost Proposal. DHCS shall reject Cost Proposals that it determines are not reflective of the Proposer's cost.

"Bid" means the amount of money the Proposer is submitting in the Cost Proposal to perform the services required under the Contract, including actual costs, overhead and profit.

All Cost Proposals must contain a responsible bid. A "responsible bid" is a bid that, during the term of the Contract, gives the Proposer the ability to perform and the will to perform the requirements of the Contract. A Cost Proposal that contains a "zero bid" or a "nominal bid" will be rejected and deemed non-responsive.

A "nominal bid" is a bid wherein DHCS determines the bid does not reflect the projected actual costs the Proposer will incur in performing the services required under the Contract and does not offer the Proposer any financial incentive to perform those services.

In order for there to be a financial incentive, the actual costs to perform the services must be less than the bid to perform the same service. "Actual costs" means the amount of monetary resources (including operating overhead) needed to perform a service.

- 2) Bid Sheets Attachment 12-3 and 12-4 are calculated using the Base Volume Method of Payment (BVMP). The explanation of BVMP methodology and the instructions for calculating the BVMP are provided in the Bid Sheet Instructions, Attachment 12-1. Proposers are to refer to Attachment 12-1 when calculating costs for Bid Sheets 12-3 and 12-4.

b. Bid Sheets

Complete and submit the following Bid Sheets in the Cost Proposal:

Attachment 12-1, Takeover Bid Sheet

This Bid Sheet must include the costs for all Takeover activities as required in Exhibit A, Attachment I, Takeover. The bid for Takeover will not be a consideration in the scoring of the Cost Proposal. The Takeover bid shall be subject to DHCS review and approval prior to authorizing payment.

Attachment 12-2, Expansion Item Bid Sheet

This Bid Sheet must include all costs for the implementation of the mandatory Expansion Item as required in Exhibit A, Attachment I, Takeover. The bid for the Expansion Item will not be included as part of the Takeover bid proposed on Attachment 12-1. The bid for the Expansion Item will be a consideration in the scoring of the Cost Proposal.

Attachment 12-3, Scanned Claim/TAR Documents Bid Sheet

This Bid Sheet must include the costs for all Scanned Claim/TAR Document activities for Intervals 2 and 3 (Contract Years 1 through 4 and Extension Years 1 through 5, if exercised) as required in Exhibit A, Attachment II, Operations. The bid for Scanned Claim/TAR Document activities will be a consideration in the scoring of the Cost Proposal.

Attachment 12-4, SG Blended Billable Person Hourly Rate Bid Sheet

This Bid Sheet must include the costs for all SG Blended Billable Person Hourly Rate activities for Intervals 2 and 3 (Contract Years 1 through 4 and Extension Years 1 through 5, if exercised) as required in Exhibit A, Attachment II, Operations. The bid for SG Blended Billable Person Hourly Rate activities will be a consideration in the scoring of the Cost Proposal.

Attachment 12-5, Turnover and Runout Bid Sheet

This Bid Sheet must include the costs for all Turnover and Runout activities as required in Exhibit A, Attachment IV, Turnover and Runout. The bid for Turnover and Runout activities will be a consideration in the scoring of the Cost Proposal.

Attachment 12-6, Total Cost Proposal Bid Sheet

This Bid Sheet is a summary of various bid cost provided in Bid Sheets, Attachments 12-1 through 12-5.

c. Cost Proposal Transmittal Letter

The Transmittal Letter must meet the following requirements:

- 1) The letter must be on business letterhead of the legal entity that would be the Contractor. The letter must not contain Bid Sheet, cost or financial information pertaining to the Cost Proposal.

- 2) All materials submitted to DHCS in response to Cost Proposal requirements must be clearly identified.
- 3) A certification statement that the data submitted for the Cost Proposal is current, accurate and complete.
- 4) A Statement that the Proposer is aware that all prices contained in the Cost Proposal are fixed prices.
- 5) The 'wet' signature is to be provided by the person authorized to legally bind the Proposer to the Cost Proposal.

R. Escrow Bid Documents

The Proposer shall meet all requirements as defined in Exhibit E, Additional Provisions, Escrow Bid Documents, included in this RFP.

The winning Proposer shall be required to submit one copy of all documentary information developed in preparation of bid prices for this procurement. This documentary information shall be submitted within six calendar days after the posting of the Notice of Intent to Award the Contract, or, if a protest to the Notice of Intent to Award is filed, within six calendar days after the protest finding has been declared. This material shall be known as the Escrow Bid Documents and shall be held in escrow for the duration of the Contract.

Escrow Bid Documents may be required to support resolution of disputes, settlement of claims, Change Order pricing and Cost Section requirements relative to the price bid to DHCS in the CD-MMIS FI Contract. Refer to Exhibit E, Additional Provisions, Escrow Bid Documents for further information.

S. Evaluation and Selection

A multiple stage evaluation process will be used to review and/or score Proposals. DHCS will reject any Proposal that is found to be non-responsive at any stage of evaluation.

The **Preliminary Review Committee** (PRC) consists of team leads from OMCP and MDSD and conducts the compliance review for both the Narrative Proposal and Cost Proposal.

The **Evaluation Scoring Committee** (ESC) consists of MDSD staff and staff working in other areas of the Medi-Cal program. The ESC is responsible for the review of the Proposals.

The **Rating Review Committee** (RRC) consists of OMCP management staff and members of the PRC. The RRC will interact with the ESC throughout the evaluation process. In fulfilling its functions, the RRC may consult with any appropriate individuals within DHCS, other State departments and/or independent consultants.

The **Executive Review Committee** (ERC) consists of DHCS executive management officials. The ERC may, at the members' discretion, review evaluation and selection processes and recommended scores for each Proposal throughout the procurement process. This review is to assure all appropriate processes and procedures have been followed. Additionally, the ERC may seek independent review and/or advice from individuals, including internal auditors, from within DHCS or elsewhere regarding issues

including, but not limited to, procurement policy matters, Narrative Proposal and/or Cost Proposal deficiencies and acceptability.

1. Stage 1 – Required Attachment/Certification Checklist Review for the Narrative Proposal (Attachment 2a)

- a. Shortly after the Proposal submission deadline, the PRC will convene to review each Narrative Proposal for timeliness, completeness and initial responsiveness to the RFP requirements. This is a Pass/Fail evaluation.
- b. In this review stage, the PRC will compare the contents of each Narrative Proposal to the claims made by the Proposer on Attachment 2a, Narrative Proposal Required Attachment/Certification Checklist, to determine compliance with Narrative Proposal packaging and labeling, and that the Proposal contains all required information.
- c. If deemed necessary, the PRC may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Narrative Proposal Required Attachment/Certification Checklist and to ensure that the Proposal is initially responsive to the RFP requirements.
- e. If a Proposer's claims on the Narrative Proposal Required Attachment/Certification Checklist cannot be proven or substantiated, the Proposal may, at DHCS' sole discretion, be deemed non-responsive and may be rejected from further consideration.
- f. Narrative Proposals shall not include any Bid Sheets, costs, prices or pricing information related to the Contract. If such information is submitted, it may constitute grounds for rejection of the Narrative Proposal as non-responsive.

2. Stage 2 - Narrative Proposal Evaluation/Scoring

- a. Proposals that meet the basic format requirements and initial qualification requirements, and that contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to the ESC.
- b. The ESC will review, evaluate and numerically score the scored Sections of each Narrative Proposal based on the Proposal's adequacy and thoroughness and the degree to which it complies with the RFP requirements.
- c. DHCS will use the following scoring system to assign points. Following this chart is a list of the considerations that evaluators may take into account when assigning individual points to a Narrative Proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
1	Barely Adequate	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), are consequential but are acceptable. The quality of the proposal response is considered to be less than average for a qualified Proposer.
2	Adequate	Proposal response (i.e., content and/or explanation offered) is adequate or meets DHCS' basic needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable. The proposal response is considered to be of average quality for a qualified Proposer.
3	More than Adequate	Proposal response (i.e., content and/or explanation offered) is more than adequate and fully meets DHCS' needs/requirements or expectations. No omission(s) or flaw(s) are apparent. The proposal response is not considered outstanding but is above the average quality that is expected from a qualified Proposer.
4	Excellent or Outstanding	Proposal response (i.e., content and/or explanation offered) is well above average or exceeds DHCS' needs/requirements or expectations. Proposer offers one or more enhancing feature, method or approach that will benefit the State. Response represents the best proposal that can be expected of any Proposer. Any present weakness is minor and unrelated to a performance requirement.

- d. In assigning points for individual rating factors, evaluators may consider issues including, but not limited to, the extent to which a Proposal response:
- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details; and/or
 - 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies; and/or
 - 3) Demonstrates that the Proposer understands DHCS' needs, the services sought, and/or the Contractor's responsibilities; and/or

- 4) Illustrates the Proposer’s capability to perform all services and meet all SOW requirements; and/or
 - 5) If implemented, will contribute to the achievement of DHCS’ goals and objectives; and/or
 - 6) Demonstrates the Proposer’s capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods, or creative or innovative business solutions).
- e. Below are the point values and weight values for each rating category that will be scored.
- 1) Proposals, excluding the Cost Section, will be scored on a scale of 0 to TBD points, as follows:

Rating Category	Points	Weight	Maximum Score
Takeover	All	Point	TBD
Claims/TARs Processing			
Quality Management			
SG Procedures and Organization			
Enterprise Project Management			
MAXIMUM PROPOSAL SCORE			TBD

- 2) Evaluators will use the criteria of the table found above in Stage 2 to score the narrative portion of each Narrative Proposal.

3. Stage 3 – Required Attachment/Certification Checklist for the Cost Proposal (Attachment 2b)

- a. Shortly after approval is received from the ERC to open the Cost Proposals, the PRC will convene to review each Cost Proposal for completeness and compliance with RFP instructions.
- b. The PRC will compare the contents of each Cost Proposal to the claims made by the Proposer on Attachment 2b, Cost Proposal Required Attachment/Certification Checklist, to determine compliance with Cost Proposal packaging and labeling, that the Transmittal Letter contains all required information and that all Bid Sheets are included.
- c. If a Proposer’s claims on Attachment 2b, Cost Proposal Required Attachment/Certification Checklist cannot be proven or substantiated, the Cost Proposal may, at DHCS’ sole discretion, be deemed non-responsive and the entire Proposal may be rejected from further consideration.

- d. Each Cost Proposal’s Compliance review will be scored Pass/Fail. Proposals that pass the Stage 3 review will be forwarded to Stage 4, Cost Proposal Evaluation.

4. Stage 4 - Cost Proposal Evaluation

Proposers that pass the Stage 3 Compliance Review will have their Cost Proposal scored and/or evaluated according to the process described herein. Each Cost Proposal shall be reviewed to ensure that the Cost Proposal is complete, the calculations are accurate and the Proposer states its awareness that all prices contained in its Proposal are fixed. Submission of a complete Cost Proposal in DHCS’ prescribed format is mandatory. If a Proposer fails to comply, the Cost Proposal may be determined non-responsive. Errors in Cost Proposals will be handled in the manner prescribed by DHCS.

a. Determining Cost Proposal Points Earned

- 1) DHCS requires all Cost Proposals to be reflective of the estimated cost of performing the work involved. Cost Proposals with zero or nominal amounts may be rejected.
- 2) The Cost Proposal will be evaluated within individual cost component categories as shown in the Bid Sheet chart below. The cost component categories will be added, resulting in a total of a maximum of TBD points available for the Cost Proposal evaluation, representing approximately forty percent (40%) of the Overall Proposal score. The Cost Proposal score shall be calculated to at least six decimal places with the final Cost Proposal score rounded to four decimal places.

The cost component categories and point distributions are provided below.

Cost Proposal Bid Sheets are located as Attachments 12-1 through 12-6 of this RFP.

Bid Sheet	Bid Sheets	Total
12-1	Takeover Operations	
12-2	Takeover Expansion Item	
12-3	Scanned Claim/TAR Documents	
12-4	SG Blended Billable Person Hourly Rate	
12-5	Turnover and Runout	
12-6	Total Cost Proposal	
	Price Bid Sheet Totals	

- b. The method for determining points awarded for the Cost Proposal is based on the Proposer receiving the maximum points allowed for the lowest bid under consideration. The Proposers not submitting the lowest bid shall receive a proportional number of points based on their bid compared to the lowest bid. The example below is for a BVMP

price but applies to any identified scoring amount. The score computations can be expressed mathematically as follows:

Lowest Bid ÷ Proposer's Bid = Percentage of Maximum Points Available

Percentage of Maximum Points Available x Maximum Points Available = Points Earned

Points are assigned by DHCS for each bid to be evaluated and may vary from year to year or service to service.

Calculation Example (Single Price per Year):

Proposer A bids \$ 800,000 for Year 1 for Service X
 Proposer B bids \$1,000,000 for Year 1 for Service X
 Maximum Points Available is 5 Points

Proposer A Earns $\$800,000 \div \$ 800,000 = 100\% \times 5 \text{ Points} = 5 \text{ Points}$

Proposer B Earns $\$800,000 \div \$1,000,000 = 80\% \times 5 \text{ Points} = 4 \text{ Points}$

This is repeated for (Contract Years 1 through 4 and Extension Years 1 through 5, if exercised) bids.

1) Determining Cost Proposal Points Earned When Using BVMP

BVMP consists of three bid elements, which are Plus Level, Minus Level and Base Volume Level. There are multiple plus and/or minus levels within the same year. All Base Volume Levels shall be evaluated based on the lowest bid as compared to the Proposer's price with the resulting factor multiplied by the points available for the Base Volume Level under evaluation.

Calculation Example (Single Price per Year):

Proposer A bids \$ 800,000 for Year 1 Base Volume Level for Service X
 Proposer B bids \$1,000,000 for Year 1 Base Volume Level for Service X

Maximum points available are 50 points over ten years; first year points are a maximum of 5.

Proposer A earns 5 points for their Base Volume Level bid for Year 1/Service X.
 $\$800,000 \div \$800,000 = 100\% \times 5 \text{ Points}$

Proposer B earns 4 points for their Base Volume Level bid for Year 1/Service X.
 $\$800,000 \div \$1,000,000 = 80\% \times 4 \text{ Points}$

This is repeated for Intervals 2 and 3 (Contract Year and Extension Years 1 through 5, if exercised) bids.

Points assigned within the Base Volume Levels may vary from year to year.

2) Plus and Minus Level Evaluation of the BVMP

The evaluated prices of the Plus and Minus Levels are calculated in similar manners. They both start with the Base Volume Level as part of their evaluated price. The unit price of the level is multiplied by the maximum transactions within the range. The resulting dollar amount is added (subtracted) to the Base Volume Level bid price amount to produce the evaluation price for that level. This calculation is repeated for both the Plus and Minus Levels of each year establishing an evaluation price for each level in each year. Points are then calculated in the same manner as the BVMP with the lowest bidder receiving the maximum points for that level in that year with all others receiving a proportional share.

Calculation Example

Proposer A bids as follows:

Plus Level	214,900,001	279,360,000	64,460,000	\$.10	3
Base Volume	172,300,000	214,900,000		\$ 100,000,000.00	5
Minus Level	107,619,999	172,299,999	64,610,000	\$ (0.05)	1

If the plus level is selected for evaluation the evaluated price for each would be as follows:

	Base Volume		Level Adjustment		Evaluated Price
Plus Level	\$100,000,000	+	(64,460,000 X \$.10)	=	\$106,446,000
Minus Level	\$100,000,000	-	(64,610,000 X \$.05)	=	\$96,769,500

c. Evaluation Process

- 1) After it has been determined that the Cost Proposal is complete and in compliance with the RFP instructions, the ESC will:
 - a) Review the Cost Proposal to ensure that it contains nothing that changes how the Contract payment structure operates, the incentives provided in the payment structure, or the Contractor's demonstrated ability to perform the Contract (Contractor responsibility).
 - b) Evaluate each total price in relation to the lowest total price submitted. The lowest price will be given the maximum points allowed, while all remaining prices will be scored using the following formula:

$$\frac{\text{Lowest Cost Price}}{\text{Proposed Cost Price}} \times \text{Points Assigned} = \text{Cost Proposal Score}$$

- 2) In the event of arithmetic or transposition errors, the Department will interpret numbers contained in the Cost Proposal in the manner described in the RFP Main, Section X, DHCS Rights, Correction of Clerical or Mathematical Errors.
- 3) **The maximum amount of points that can be earned from the Cost Proposal is TBD points**, representing approximately forty percent (40%) of the Overall Proposal score. Final Cost Proposal scores shall result in numbers rounded to four decimal places.

5. Stage 5 – Adjustments to Score Calculations for Bidding Preferences/Incentives

- 1. DHCS will determine which firms, if any, are eligible to receive a bidding preference (i.e., Disabled Veteran Business Enterprise (DVBE) small business or non-small business subcontractor preference, TACPA, etc.).
- 2. To confirm the identity of the highest Overall scored responsive Proposal, DHCS will adjust the Overall Proposal score for applicable claimed preference(s)/incentives for eligible Proposers. DHCS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of DGS.
- 3. Demonstrations

If the Department desires to conduct a site visit, it will advise the Proposer of the time, date and content to be demonstrated. The Department will require that the demonstration(s) occur in Sacramento, California, if possible. Any travel costs associated with the demonstration(s) shall be borne by the Proposer and are in no way billable to the Department.

6. Stage 6 – Final Score Calculation

DHCS will use the formula shown below to calculate final Proposals’ scores and to determine the highest scored Overall Proposal.

		Proposal Component	Maximum Possible Score
a		Narrative Proposal Score	TBD
b	+	Cost Proposal Score	TBD
c	+	Preference Points (If Any)	
d	=	Overall Proposal’s Total Point Score	TBD

The table above shows the maximum possible scores. A Proposer may receive a score that is less than the maximum shown above.

T. Narrative Proposal Rating Factors

Evaluation questions are currently in development and will be included at a later date.

U. Proposal Requirements and Information

1. Non-responsive Proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause the Department to deem a Proposal non-responsive.

a. Failure of a Proposer to:

- 1) Meet DVBE participation goals for the full percentage amount of 0.25%.
- 2) Meet Proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of Proposals.
- 3) Pass the Required Attachment/Certification Checklists for the Narrative Proposal (Attachment 2a) and Cost Proposal (Attachment 2b) Compliance Review (i.e., by not marking "Yes" to applicable items or by not appropriately justifying, to DHCS' satisfaction, all "N/A" designations).
- 4) Submit a **mandatory** Conflict of Interest Compliance Certificate (Attachment 15) in the manner required, if applicable.

b. If a Proposer submits a Proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.

c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.

d. If DHCS discovers, at any stage of the procurement process or upon Contract award, that the Proposer is unwilling or unable to comply with the Contract terms, conditions and Exhibits cited in this RFP or the resulting Contract.

e. If other irregularities occur in a Proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the SOW, submits a counter Proposal, etc.).

2. Proposal Modifications after Submission

a. All Proposals are to be complete when submitted. However, an entire Proposal may be withdrawn and the Proposer may resubmit a new Proposal prior to the Proposal submission deadline.

b. To withdraw and/or resubmit a Proposal, follow the instructions provided in 3. below.

3. Withdrawal and/or Resubmission of Proposals

a. Withdrawal deadlines

A Proposer may withdraw a Proposal at any time before the Proposal submission deadline.

b. Submitting a withdrawal request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and send the withdrawal request to the Department in accordance with instructions in RFP Main, Section C.
- 3) An originally-signed withdrawal request is generally required before DHCS will return a Proposal to a Proposer. DHCS may grant an exception if the Proposer informs DHCS that a new or replacement Proposal will immediately follow the withdrawal.

c. Resubmitting a Proposal

After withdrawing a Proposal, a Proposer may resubmit a new Proposal according to the Proposal submission instructions. Replacement Proposals must be received at the stated place of delivery by the Proposal due date and time.

4. Contract Award and Protests

a. Contract award

- 1) Award of the Contract, if a Contract is awarded, will be to the responsive and responsible Proposer who earns the highest total score. The highest scored Proposal will be determined after DHCS adjusts Proposers' scores for applicable bidder preferences and/or incentives.
- 2) The Department shall award the Contract only after it posts a Notice of Intent to Award for five State work days. DHCS expects to post the Notice of Intent to Award before the close of business on **TBD**. If the Department finds a need to alter the date for posting the Notice of Intent to Award, either an Addendum or Administrative Bulletin will be issued with an alternate time line.
- 3) The Department will mail or email a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a Proposal. The public will be able to view the Notice of Intent to Award on the Office of Medi-Cal Procurement website at: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx.
- 4) The Department will confirm the Contract award to the winning Proposer after the protest deadline, if no protests are filed, or following DGS's resolution of all protests. DHCS staff may confirm an award verbally or in writing.

b. Settlement of ties

- 1) In the event of a precise total high score tie between a responsive Proposal submitted by a certified small business or microbusiness and a responsive Proposal submitted by a certified DVBE that is also a certified small business, the Contract will be awarded to the DVBE firm, per Government Code Section 14838(f) et seq.

- 2) In the event of a precise total high score tie between a responsive Proposal submitted by a firm that was granted non-small business subcontractor preference and a responsive Proposal submitted by a certified small business or microbusiness, the Contract will be awarded to the certified small business or microbusiness.
- 3) In the event of a precise total high score between a responsive Proposal submitted by a Non-profit Veteran Service Agency (NVSA) that is a certified small business and a responsive Proposal submitted by a certified DVBE that is also a certified small business, the Contract will be awarded to the certified DVBE.
- 4) In the absence of a California law or regulation governing a specific tie, the Department will settle all other precise total high score ties by making an award to the Proposer who earns the highest Narrative Proposal score.
- 5) If Narrative Proposal scores are also tied, the Department will settle the tie in a manner that the Department determines to be fair and equitable (e.g., coin toss, lot drawing, etc.). In no event will DHCS settle a tie by dividing the work among the tied Proposers.

c. Protests

1) Who can protest

Any Proposer who submits a Proposal may file a protest if the Proposer believes its Proposal is responsive to all RFP requirements.

2) Grounds for protests

Protests are limited to the grounds described in PCC Section 10345. the Department will not make an award until all protests are withdrawn by the protestant, or are denied or resolved to the satisfaction of DGS.

3) Protest timelines

- a) If an eligible Proposer wishes to protest the intended Contract award, the Proposer must file a "Notice of Intent to Protest" with both DHCS and DGS within five State working days after DHCS posts the Notice of Intent to Award. The Notice of Intent to Protest may be quite brief. Any Notice of Intent to Protest filed more than five State working days after DHCS posts the Notice of Intent to Award shall be untimely.
- b) Within five calendar days after filing a "Notice of Intent to Protest", the protestant must file with both DHCS and DGS a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reason, law, rule, regulation or practice that the protestant believes DHCS has improperly applied in awarding the Contract.

4) Submitting a protest

Protests must be filed with DGS and the DHCS, Contract Management Unit (CMU), with a copy to OMCP. Proposers may hand deliver, mail or fax (to DHS and CMU) a protest.

Label, address and submit the initial protest notice and detailed protest statement using one of the following methods.

To DGS:

U.S. Mail, Hand Delivery or Overnight Express:

Protest to DHCS RFP 13-90271
 California Dental Administrative Services Organization
 Department of General Services
 Office of Legal Services
 Attention: Protest Coordinator
 707 Third Street, 7th Floor, Suite 7-330
 P.O. Box 989052
 West Sacramento, CA 95798-9052

Fax:

Protest to DHCS RFP 13-90271
California Dental Administrative Services Organization
 Department of General Services
 Office of Legal Services
 Attention: Protest Coordinator
 Fax: (916) 376-5088

To DHCS Contract Management Unit (CMU):

U.S. Mail, Hand Delivery or Overnight Express:

Protest to DHCS RFP 13-90271
California Dental Administrative Services Organization
 Department of Health Care Services
 Contract Management Unit
 Mail Station 1403
 P.O. Box 997413
 1501 Capitol Avenue, Suite 71.5195
 Sacramento, CA 95899-7413

Fax:

Protest to DHCS RFP 13-90271
California Dental Administrative Services Organization
 Department of Health Care Services
 Contract Management Unit
 Fax: (916) 650-0111

Faxed and emailed protests to DGS and DHCS/CMU

Such protests must be followed-up by sending an original signed protest, with all supporting material, within one calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm receipt of a fax transmission:

Department of General Services	(916) 376-5080
Department of Health Care	(916) 650-0150
Services/Contract Management	
Unit	

To DHCS OMCP:**U.S. Mail:****Protest to RFP 13-90271****California Dental Administrative Services Organization**

Department of Health Care Services

Office of Medi-Cal Procurement

MS 4200

Teri Lesh/Subran Singh

P.O. Box 997413

Sacramento, CA 95899-7413

Hand Delivery or Overnight Express/Courier:**Protest to RFP 13-90271****California Dental Administrative Services Organization**

Department of Health Care Services

Office of Medi-Cal Procurement

MS 4200

Teri Lesh/Subran Singh

1501 Capitol Ave Suite 71.3041

Sacramento, CA 95814

Email:**To:** omcprfp2@dhcs.ca.gov**Subject:** Protest - RFP 13-90271**California Dental Medicaid Management Information Systems**

Department of Health Care Services

Office of Medi-Cal Procurement

5. Disposition of Proposals

- a. All materials submitted in response to this RFP will become the property of the DHCS, and, as such, are subject to the California Public Records Act (PRA) (GC Section 6250, et seq.). DHCS will disregard any language purporting to render all or portions of any Proposal confidential.
- b. Upon posting of a Notice of Intent to Award, all documents submitted in response to this RFP and all documents used in the selection process (e.g., review checklists, scoring sheets, letters of intent, Proposal contents, Proposal correspondence, etc.) will be regarded as public records under the California PRA (GC Section 6250 et seq.) and subject to review by the public. However, these documents shall be held in the strictest confidence until the Notice of Intent to Award is posted.

6. Inspecting or Obtaining Copies of Proposals

- a. Who can inspect or copy Proposal materials

Any person or member of the public can inspect or obtain copies of Proposal materials.

- b. What can be inspected and/or copied, and when

- 1) The Pre-Proposal Conference sign-in/attendance sheet is a public record and will be available for inspection or copying immediately following the Pre-Proposal Conference.

- 2) On or after the date DHCS posts the Notice of Intent to Award, all Proposals, Proposer Lists, RFP download lists, conference sign-in/attendance sheet, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available by request.
- c. How to obtain Proposal materials for inspection or copying
- 1) Persons wishing to obtain and/or inspect any Proposal or award-related materials must identify the items they wish to obtain and/or inspect, and submit a request by email to omcprfp2@dhcs.ca.gov.
 - 2) Proposer Packages may also be viewed on the OMCP website at: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx

7. Verification of Proposer information

By submitting a Proposal, Proposers agree to authorize DHCS to:

- a. Verify any and all claims made by the Proposer including, but not limited to, verification of prior experience and the possession of other qualification requirements.
- b. Check any reference identified by a Proposer or other resources known by DHCS to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

8. DHCS rights

In addition to the rights discussed elsewhere in this RFP, DHCS reserves the following rights.

- a. RFP corrections
 - 1) DHCS reserves the right to do any of the following up to the Proposal submission deadline:
 - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
 - b) Issue clarification request letters, RFP Addenda, and Administrative Bulletins
 - c) Waive any RFP requirement or instruction for all Proposers if DHCS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.
 - b) Allow Proposers to submit questions after the initial Proposer Question deadline (see RFP section X "Proposer Questions") about any RFP change, correction or RFP Addenda released through the Administrative Bulletin process. Specific instructions will appear in the Administrative Bulletin accompanying the RFP Addenda or other RFP material such as Questions and Answers.
- 2) If deemed necessary by DHCS to remedy an RFP error or defect that is not detected in a timely manner, DHCS may also issue correction notices or waive any unnecessary, erroneous or unreasonable RFP requirement or instruction after the Proposal submission deadline.

- 3) DHCS will post on the OMCP website all RFP clarifications, corrections, changes and updates issued via an Administrative Bulletin, including changes to the Time Schedule, Questions and Answers and Addenda. All Interested Parties are encouraged to monitor the OMCP website:
http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx
 - 4) If, after the Proposal submission deadline, it is discovered the posting of the Notice of Intent to Award will be delayed, DHCS reserves the right to issue an Administrative Bulletin to announce delays to the Notice of Intent to Award posting date, Protest Deadline and/or Contract Award date.
This information will be posted on OMCP's website included in the above paragraph.
 - 5) DHCS reserves the right to deem a Proposal nonresponsive if a Proposer declines to accept the terms and conditions outlined in this RFP and its Exhibits or if a Proposer submits alternate Contract or/Exhibit language that DHCS considers "a counter Proposal".
 - 6) DHCS reserves the right to deem a Proposal non-responsive if a Proposer rejects any task, activity and/or function as required in the Contract or Exhibit. Upon execution of the Contract the Proposer may not assert that any part, section and/or language in their Proposal rejects a task, activity and/or function.
 - 7) At its sole discretion, DHCS reserves the right to cancel this procurement at any time and not make an award.
- b. Collecting information from Proposers
- 1) During or after the Proposal review and evaluation process, DHCS may ask a Proposer to clarify information submitted in their Proposal. In such a case, DHCS will send a written Clarification Request Letter. The response of a Proposer to the Clarification Request Letter will not change the Proposal submission. DHCS's waiver of any immaterial deviation or defect shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP specifications if awarded the Contract.
 - 2) The seeking of clarification from Proposers may cause DHCS to extend the date for posting the Notice of Intent to Award. If DHCS changes the posting date, DHCS will advise the Proposers in writing of the alternate posting date or by posting to the OMCP website at:
http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx
- c. Immaterial Proposal defects
- 1) DHCS may waive any immaterial defect in any Proposal and allow the Proposer to remedy those defects. DHCS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.
 - 2) DHCS' waiver of an immaterial defect in a Proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

d. Correction of clerical or mathematical errors

- 1) DHCS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a Proposal or on a Cost Proposal form.
- 2) If the correction of an error results in an increase or decrease in the total price, and a unit price pursuant to 8.d.4), below, is not provided, DHCS shall give the Proposer the option to accept the corrected price or withdraw their Proposal.
- 3) Proposers may be required to acknowledge and initial corrections to costs and dollar figures on any Cost Proposal form that contains mathematical errors.
- 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHCS will use the unit price to settle the discrepancy.

e. Right to remedy errors

DHCS reserves the right to remedy errors caused by:

- 1) DHCS office equipment malfunctions or negligence by agency staff.
- 2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No Contract Award or RFP cancellation

The issuance of this RFP does not constitute a commitment by DHCS to award a Contract. DHCS reserves the right to reject all Proposals and to cancel this RFP if it is in the best interests of DHCS to do so.

g. Contract Amendments after Contract Award

As provided in the PCC governing contracts awarded by competitive bid, the DHCS reserves the right to amend the Contract after DHCS makes a Contract Award.

h. Full Funding

If full funding does not become available, is reduced or DHCS determines that it does not need all of the services described in this RFP, DHCS reserves the right to offer an amended Contract for reduced services.

i. Proposed use of subcontractors and/or independent consultants

Specific subcontract and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to Contract execution. The pre-identification of a subcontractor and/or independent consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the Contract Award.

j. Staffing changes after Contract Award

DHCS reserves the right to approve or disapprove changes in key personnel that occur after DHCS awards the Contract.

V. Bidding Certification Clauses

1. Certificate of Independent Price Determination

- a. The prospective Proposer certifies that:
 - 1) The prices in this Proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer or competitor for the purpose of restricting competition relating to:
 - a) The intention to submit a Proposal.
 - b) The prices or costs offered.
 - c) The methods or factors used to calculate the costs or prices offered.
 - 2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the Cost Proposal opening date or date of Contract Award posting, unless otherwise required by law.
 - 3) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a Proposal for the purpose of restricting competition.
- b. Each signature appearing on the documents contained in this Proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this Proposal and/or is designated to complete the Proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph Q.1.a.

2. Debarment and Suspension Certification

- a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department or agency.
 - 2) Have not within a three-year period preceding this Proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification.
 - 4) Have not within a three-year period preceding this Proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
 - 5) 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 such transaction, unless authorized by the State.

- 6) Will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this Contract.

3. Lobbying Restrictions and Disclosure

- a. The Contractor certifies, to the best of its knowledge and belief, that:
 - 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
 - 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - 3) The Contractor shall require that the contents of this certification be collected from the recipients of all sub-awards exceeding one hundred thousand dollars (\$100,000) at all tiers (including subcontracts, sub-grants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.
- b. This certification is a material representation of fact upon which reliance was placed when this Contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this Contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each such failure.
- c. The Federal Standard Form-LLL may be obtained from various Federal agencies, federally sponsored Internet sites, DHCS upon request or may be copied from Exhibit D (F) entitled, "Special Terms and Conditions."

W. Preference and Incentive Programs

To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total point score for applicable claimed preference(s). Bidding preferences shall not be applied to Proposals that fail to pass the Checklist Review. DHCS will apply preference adjustments to eligible Proposers according to State regulations following on-line or personal verification of eligibility with the appropriate office of DGS.

1. Small Business/Microbusiness Preference

- a. A responsive California small business or microbusiness Proposer claiming preference and verified as a certified small business or microbusiness in a relevant business category or type will be granted a preference of five percent of the total point score earned by the responsive/responsible Proposer with highest combined score, if the highest scored Proposal is submitted by a non-small business. Non-small business means a responsive/responsible Proposer that is not certified by DGS as a California small business or microbusiness in a relevant business category or type. The "service" category or business type will most likely apply to this procurement. NVSA instructions may be found under the "Preference and Incentive Programs subsection that follows.

To be certified as a California small business or microbusiness and eligible for a bidding preference the business must meet the State's eligibility requirements and must have applied for small business status no later than 5:00 PM Pacific Time on the day of the Proposal submission deadline.

- b. Firms desiring small business or microbusiness certification must follow DGS certification instructions and apply for certification. Prospective Proposers desiring small business certification assistance may contact DGS by the following means:
 - 1) (916) 375-4940 (Small business assistance) or (800) 559-5529 (live operator central receptionist).
 - 2) Internet address: <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>
 - 3) Fax: (916) 375-4950
 - 4) Email: OSDShelp@dgs.ca.gov

2. Non-Small Business Subcontractor Preference

- a. Non-small business means a responsive/responsible Proposer that is not certified by DGS as a California small business or microbusiness in a relevant business category or type.
- b. If the responsive Proposer earning the highest total score is not a certified small business/microbusiness, a bid preference up to five percent is available to a responsive non-small business Proposer committing twenty-five percent (25%) small business subcontractor-use of one or more small businesses. When applicable, the preference points will be calculated pursuant to the regulations in Title 2, California Code of Regulations (CCR) Section 1896.8 and will be added to the total score of an eligible non-small business. This preference is authorized pursuant to Title 2, CCR Section 1896.2 and GC Section 14835.
- c. If a Proposer claims the non-small business subcontractor preference, the Proposal response must identify each proposed small business subcontractor that will be used, the participation percentage and dollar amount committed to each identified small business subcontractor and provide substantial proof to enable verification of each subcontractor's small business status. The total small business subcontractor-use must equal no less than twenty-five percent (25%) of the total cost offered.

- d. To be granted preference, each proposed small business subcontractor must possess an active small business certification issued by the DGS, must perform a “commercially useful function” under the Contract and the basic functions to be performed must be identified at the time of Proposal submission.
- e. To request the non-small business subcontractor preference, complete Attachment 10a, Non-Small Business Subcontractor Preference Request and Attachment 10b, Small Business Subcontractor/Supplier Acknowledgement.

3. Non-profit Veteran Service Agency Small Business Preference

- a. Pursuant to Military and Veteran Code Section 999.50 et seq., responsive/responsible NVSAs claiming small business or microbusiness preference and verified as such in the relevant category or business-type prior to the Proposal submission due date will be granted a preference up to five percent of the highest score, if the highest scored responsive Proposal is submitted by a Proposer not certified as a small business or microbusiness. The “service” category is the business type that will most likely apply to this procurement.
- b. To be eligible for the NVSA small business preference, the business concern must:
 - 1) Request small business preference at the time of Proposal submission; and
 - 2) Become certified as a small business by the appropriate office of DGS prior to the Proposal submission due date.

4. Disabled Veteran Business Enterprise incentive

a. DVBE Participation / Incentive Requirement

This procurement is subject to a DVBE participation goal of one quarter of one percent (0.25%).

Pursuant to California laws and regulations, a DVBE incentive in the form of points added to the sum of the Narrative Proposal score of responsive/responsible Proposers that provide for utilization of California-certified DVBEs. The application of the DVBE incentive is for evaluation purposes only. The maximum DVBE incentive allowed is five percent of the total possible points. The DVBE Incentive Scale below illustrates the earnable incentive points based on the amount of DVBE participation in excess of one-quarter of one percent (0.25%).

b. Application of the DVBE Incentive

Points will be added to the Narrative Proposal score of an eligible Proposer by the applicable DVBE incentive percentage as computed on the total possible points earnable for both the Narrative Proposal score and Cost Proposal score, when a Proposer:

- 1) Commits participation or use of DVBEs in excess of one quarter of one percent to perform commercially-useful functions under the resulting Contract. To demonstrate DVBE participation, Proposers are to:
 - a) Follow the DVBE participation form completion instructions in Attachment 9 and return the applicable DVBE forms with the Proposal response.

- b) DVBE participation commitments must be acknowledged and confirmed via submission of a signed DVBE Subcontractor/Supplier Acknowledgement form with the Proposal response.
- 2) When responsive/responsible Proposers claim and are deemed eligible for the small business preference and/or the DVBE incentive, or both, the small business preference will be applied first.
- 3) The DVBE incentive adjustment for this procurement may not exceed five percent of the total possible points.
- 4) When responsive/responsible Proposers are eligible for one or more incentives and/or preferences, the order of application shall be as follows:
 - a) Small business preference will be applied first (if applicable)
 - b) The DVBE incentive second (if applicable)
 - c) The non-small business subcontractor preference third (if applicable)
 - d) Other bid preferences including TACPA preference last (if applicable)

c. DVBE Incentive Scale

Unless superseded and replaced by an alternate DVBE Incentive Scale issued by DHCS prior to Proposal due date, the following incentive scale will apply to this procurement.

Illustration of possible Narrative Proposal points = 600
 Illustration of possible Cost Proposal points = 600
 Illustration of total possible points = 1200

Percentage of DVBE Participation Achieved and Acknowledged	Allowable DVBE Incentive Added to a Narrative Proposal Score
Over 4.25%	5% of total possible points (5% X 1200) = 60
Over 3.25% and up to 4.25%	4% of total possible points (4% X 1200) = 48
Over 2.25% and up to 3.25%	3% of total possible points (3% X 1200) = 36
Over 1.25% and up to 2.25%	2% of total possible points (2% X 1200) = 24
Over 0.50% and up to 1.25%	1% of total possible points (1% X 1200) = 12
0.25%	0% of total possible points

5. Target Area Contract Preference Act (TACPA)

- a. Government Code (GC) Section 4530 TACPA provides that California-based companies shall be granted a five percent preference whenever a State agency prepares a solicitation for **services** in excess of one hundred thousand dollars (\$100,000). The preference(s) shall apply if the worksite is not fixed by the government agency and the Proposer can demonstrate and certify, under the penalty of perjury, that at least ninety percent (90%) of the total labor hours required to perform the services shall be performed at an identified worksite located in a distressed area. TACPA preferences will only be applied if this procurement results in more than one responsive Proposal receiving a passing Narrative Proposal score.

- b. Additional work force preferences ranging from one percent to four percent can be earned by eligible Proposers that agree to hire five percent to twenty percent (20%) of persons with a high risk of unemployment or those living in a targeted employment area or that are enterprise zone eligible to perform a specified percentage of the Contract work.
- c. The granting of TACPA preference cannot displace an award to a certified small business.
- d. Proposers seeking TACPA preference must submit a completed STD. 830 - Target Area Contract Preference Act Request (Attachment 11) with their Proposal. The applicable preference request form must include the following:
 - 1) All appropriate certifications.
 - 2) The proposing firm's name and the name of all suppliers and subcontractors that will work with the Proposer to fulfill the terms of the Contract along with the addresses of each of the worksite(s) and estimated labor hours.
 - 3) County census tract number and block group number.
 - 4) Proposer's original signature.
 - 5) A checkbox marked to identify the additional one percent to four percent preference sought for hiring persons with a high risk of unemployment.
- e. TACPA preference cannot be granted if:
 - 1) The lowest proposed cost does not equal or exceed one hundred thousand dollars (\$100,000) for the entire term; **or**
 - 2) The work site or any part thereof is fixed or preset by DHCS; **or**
 - 3) The services involve construction of a public works project.
- f. A Proposer who has claimed a TACPA preference and is awarded the Contract will be obligated to perform in accordance with the preference(s) requested, provided the preference was granted in obtaining the Contract. Firms receiving preference must:
 - 1) Report their labor hours to DHCS; **and**
 - 2) Reference the Contract number on which the award is based for the specific reporting requirements.
- g. Proposers wishing to learn more about TACPA requirements, designated work site(s) or enterprise zones in California should contact the appropriate office of DGS at (916) 375-4581. DGS will attempt to determine TACPA eligibility within two State working days.

6. Combined Preferences

The maximum preference or score addition that any Proposer may be granted for small business preference, non-small business subcontractor preference and TACPA preference is a combined fifteen percent (15%).

Any firm that claims and is granted non-small business subcontractor preference and TACPA preference cannot displace an award to a certified small business or microbusiness.

X. Contract Terms and Conditions

1. Loss Leader Clause

It is unlawful for any person engaged in business within this State (California) to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code.

2. Other Terms and Conditions

The winning Proposer must enter a written Contract that may contain portions of the Proposer’s Proposal (i.e., Cost Proposal Bid Sheets, Work Plan), SOW, SOW Attachments, standard Contract provisions, Contract forms and the Exhibits identified below. Other Exhibits, not identified herein, may also appear in the resulting Contract.

The Exhibits identified in this Section contain Contract terms that require strict adherence to various laws and contracting policies. A Proposer’s unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause DHCS to deem a Proposer nonresponsible and ineligible for an award. DHCS reserves the right to use the latest version of any form or Exhibit listed below in the resulting Contract if a newer version is available.

The Exhibits identified below illustrate many of the terms and conditions that may appear in the final Contract between DHCS and the winning Proposer. Other terms and conditions, not specified in the Exhibits identified below, may also appear in the resulting Contract. Some terms and conditions are conditional and may only appear in a Contract if certain conditions exist (i.e., Contract total exceeds a certain amount, federal funding is used, etc.).

In general, DHCS will not accept alterations to the General Terms and Conditions (GTC), Special Terms and Conditions, the SOW, other Exhibit terms and/or conditions or alternate language that is proposed or submitted by a prospective Contractor. DHCS may consider a Proposal containing such provisions “a counter Proposal” and DHCS may reject such a Proposal as non-responsive.

3. Sample Contract Forms and Exhibits

Exhibit Label	Exhibit Name
a. Exhibit A-1	Standard Agreement
b. Exhibit A	Scope of Work
	Attachments
	Exhibit A, Attachment I Takeover
	Exhibit A, Attachment II Operations
	Exhibit A, Attachment III Change Requirements
	Exhibit A, Attachment V Turnover and Runout

- | | | |
|----|---------------------------|--|
| c. | Exhibit B | Budget Detail and Payment Provisions

Attachments

Exhibit B, Attachment I Special Payment Provisions |
| d. | Exhibit C - View on-line. | General Terms and Conditions (GTC 610). View or download this Exhibit at this Internet website:
http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx |
| e. | Exhibit D(F) | Special Terms and Conditions

Attachment

Exhibit D(F), Attachment 1 Certification Regarding Lobbying |
| f. | Exhibit E | Additional Provisions

Attachments

Exhibit E, Attachment I Change Order Pricing Proposal Form
Exhibit E, Attachment II Escrow Bid Documentation Certification |
| g. | Exhibit F | Contractor's Release |
| h. | Exhibit G | Travel Reimbursement Information |
| i. | Exhibit H | Health Insurance Portability And Accountability Act (HIPAA)
Business Associate Addendum (BAA) |
| j. | Exhibit I | Staffing Qualifications |

4. Unanticipated tasks

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in the Department's opinion is necessary to successfully accomplish the SOW, DHCS will initiate a Contract Amendment to add that work. The supporting documentation for all costs related to the Amendment shall be submitted in accordance with Exhibit E, Additional Provisions, Change Orders, and Exhibit E, Additional Provisions, Attachment II, Change Order Pricing Proposal Form. All terms and conditions appearing in the final Contract will apply to any additional work and extension options.

5. Resolution of language conflicts (RFP vs. final Contract)

All inconsistencies and conflicts between the terms and conditions appearing in the final Contract and the proposed terms and conditions appearing in this RFP will be resolved by giving precedence to the final Contract.