



California Health Benefit Exchange

HBEX 17: General Agents

May 14, 2013

Table of Contents

1.	INTRODUCTION.....	3
1.1	Overview.....	3
1.2	Key Dates	3
1.3	Contact	3
1.4	Contract Engagement Period.....	4
1.5	Contract Amount.....	4
1.6	Bidder’s Questions.....	4
1.7	Submission of Final Proposals.....	4
1.8	Format of Proposals.....	5
1.9	Rejection of Proposal.....	5
1.10	Errors in Final Proposal	6
1.11	Protest	7
1.12	Disposition of Bids	7
1.13	Agreement Execution and Performance	7
2.	MINIMUM QUALIFICATIONS	8
2.1	Respondent’s Minimum Qualifications	8
2.2	Requirement to File a Statement of Economic Interests	8
3.	SCOPE OF WORK	9
3.1	Statement of Purpose	9
3.2	Background.....	10
3.3	Reference Documents	10
3.4	Project Tasks	10
3.5	Contract Completion Criteria.....	11
3.6	Deliverable Acceptance Criteria.....	11
3.7	Contractor Roles and Responsibilities	11
3.8	Covered California’s Roles and Responsibilities.....	12
3.9	Project Assumptions and Constraints	12
3.10	Contract Amendment.....	13
3.11	Multiple Contracts Awarded.....	13
3.12	Payment and Invoicing	13
4.	PROPOSAL RESPONSE CONTENT	13

4.1	Proprietary Information	14
5.	FINAL PROPOSAL REQUIREMENTS DETAIL.....	14
5.1	Administrative Requirements.....	14
5.2	Response Requirements	15
6.	REVIEW OF FINAL PROPOSALS FOR AWARD/SELECTION CRITERIA.....	19
6.1	Written Responses to this RFP will be evaluated in three phases	19
6.2	Interviews.....	20
6.3	Evaluation Criteria.....	20
7.	PREFERENCE PROGRAMS.....	25
7.1	Small Business Preference.....	25
7.2	Target Area Contract Preference Act (TACPA) / Enterprise Zone Act (EZA) & Local Agency Military Base Recovery Preference Request (LAMBRA)	26
7.3	Disabled Veteran Business Enterprise (DVBE) – Declaration & Program Incentive.....	26

1. INTRODUCTION

1.1 Overview

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

This is a deliverables-based, fixed price contract for Small Business Health Option Program (SHOP) General Agent Services only.

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

1.2 Key Dates

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

KEY ACTION DATES

Request for Proposal Release Date:	May 14, 2013 before 4PM
Questions Due Date:	May 17, 2013 by noon
Response to Questions Due Date:	May 22, 2013 by 4PM
Proposals Due Date:	June 11, 2013 by 4PM
Notice of Intent to Award	June 21, 2013 by 4PM
Estimated Term Dates:	July 1, 2013 through June 30, 2014

1.3 Contact

Kelly Long
California Health Benefit Exchange
E-mail address: hbexsolicitation@covered.ca.gov

560 J Street, Suite 290
Sacramento, CA 95814

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

1.4 Contract Engagement Period

The term of this contract is June 5, 2013 through June 4, 2014.

1.5 Contract Amount

Responses shall not exceed \$3,000,000 in total costs. Responses that exceed \$3,000,000 will not be considered for selection.

1.6 Bidder's Questions

Bidders shall submit any questions regarding this RFP by the due date specified in the Key Action Dates table in Section 1.2. Only e-mail inquiries addressed to the contact person listed Section 1.3 will be accepted. Bidders shall provide specific information to enable the state to identify and respond to their questions. When submitting inquiries, please reference the RFP number. At its discretion, Covered California may contact an inquirer to seek clarification of any inquiry received. Bidders that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP, shall submit a proposal at their own risk.

1.7 Submission of Final Proposals

1. Preparation: Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and completeness and clarity of content.
2. Bidder's Cost: Costs for developing proposals or attending Bidder conferences are entirely the responsibility of the Bidder and shall not be chargeable to Covered California.
3. Completion of Proposals: Proposals must be complete in all respects as described in the requirements established within the RFP. A Final Proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. A Final Proposal must be rejected if any such defect or irregularity constitutes a material deviation from the RFP requirements. The Final Proposal must contain all items required in the RFP.
4. False or Misleading Statements: Proposals which contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of Covered California, such information was intended to mislead Covered California in its

evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.

Issuance of this RFP in no way constitutes a commitment by the State of California to award an agreement. Covered California reserves the right to reject any or all offers received if Covered California determines that it is in Covered California's best interest to do so. Covered California may reject any offer that is conditional or incomplete. Assumptions made by the Bidder in responding to this RFP do not obligate Covered California in any way. Additionally, assumptions may make the offer conditional and be cause for the offer to be rejected. Responses to this RFP will be assessed based on determining the "Best Value." The SOW and the offer will be made a part of the resulting Agreement.

1.8 Format of Proposals

This RFP requires Bidder(s) to submit a final phase proposal(s) that shall contain all required Administrative and Technical Attachments and Exhibits and submitted in a sealed envelope/container when shipped to Covered California by the dates and times shown in Section 1.2 Key Dates. The sealed package must be plainly marked with the (1) RFP number and title, (2) firm name and address, and (3) must be marked with "DO NOT OPEN", as shown in the following example:

RFP HBEX 17
Small Business Health Option Program (SHOP) General Agent Services
Attention: Kelly Long
California Health Benefit Exchange
560 J Street, Suite 290
Sacramento, CA 95814

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

Bidder shall submit a minimum of six (6) sets of copies for all Administrative/Technical Attachments and Exhibits in the sealed Envelope/Container. In the bidder's best interest, one (1) set should be titled as being the Master copy and the remaining five (5) as additional copies. Bidder shall also provide a CD ROM with the appropriate Administrative and Technical Attachments and Exhibits in searchable text format (e.g., Word, searchable PDF). Each copy shall be titled and unbound including the additional copies.

Bids not submitted under sealed cover will be rejected.

1.9 Rejection of Proposal

Deviations, whether or not intentional, may cause a proposal to be non-responsive and not considered for award. Covered California may reject any or all proposals and may waive any immaterial deviation or defect in a proposal. Covered California's waiver of any immaterial deviation or defect shall in no way modify the RFP documents or excuse

the Bidder from full compliance with the RFP specifications if awarded a contract. **FINAL PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED IN SECTION 1.2 KEY ACTION DATES OR NOT SEALED, WILL BE REJECTED.**

1.10 Errors in Final Proposal

An error in the Final Proposal may cause the rejection of that proposal; however, Covered California may, **AT ITS SOLE OPTION**, retain the proposal and make certain corrections. In determining if a correction will be made, Covered California will consider the conformance of the proposal to the format and content required by the RFP, and any unusual complexity of the format and content required by the RFP.

1. If the Bidder's intent, as determined by Covered California, is clearly established based on review of the complete Final Proposal submittal, Covered California may at its sole option correct an error based on that established intent.
2. Covered California may at its sole option correct obvious clerical errors.
3. Covered California may at its sole option correct discrepancy/errors on the basis that if intent is not clearly established by the complete Final Proposal submittal, the Master Copy shall have priority over additional copies.
4. A bidder may modify a bid after submission by withdrawing its original bid and resubmitting a new bid prior to the bid submission deadline. Bidder modifications offered in any other manner, oral or written, will not be considered.
5. A bidder may withdraw its bid by submitting a written withdrawal request to Covered California, signed by the bidder or an authorized agent. A bidder may thereafter submit a new bid prior to the bid submission deadline. Bids may not be withdrawn without cause subsequent to bid submission deadline.
6. Covered California may modify the RFP prior to the date fixed for submission of bids by the issuance of an addendum to all parties.
7. Covered California reserves the right to reject any/all bids. Covered California is not required to award an agreement.
8. Before submitting a response to this solicitation, bidders should review, correct all errors, and confirm compliance with the RFP requirements.
9. All proposals must be based on the Model Contract provided with this solicitation (Scope of work provided in Section 3, and contract General Terms and Conditions provided in Attachment 2). Proposing vendors must submit as part of their response any exceptions to the Model Contract that they wish to negotiate. Vendor exceptions must be documented in an attachment labeled "Proposal Contract Exceptions." All Model Contract exceptions must be included in the Vendor Proposal at the time of its submission. No additional exceptions may be presented during contract negotiations.
10. No oral understanding or agreement shall be binding on either party.

1.11 Protest

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

All protests must be made in writing, signed by an individual who is authorized to contractually bind the proposer, and contain a statement of the reason(s) for protest, citing the law, rule, regulation, or procedures on which the protest is based. The protester must provide facts and evidence to support their claim. Certified or registered mail must be used unless delivered in person, in which case the protester should obtain a receipt of delivery. The final day to receive a protest is five (5) business days after vendor selection. Protests must be mailed or delivered to:

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

1.12 Disposition of Bids

Upon bid opening, all documents submitted in response to this RFP will become the property of the State of California, and subject to Government Code 100508, at Covered California’s sole discretion, may be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

1.13 Agreement Execution and Performance

Performance shall start no later than the express date set forth in the RFP by Covered California after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon date and time, Covered California, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to Covered California for the difference between Contractor’s bid price and the actual cost of performing work by the second lowest bidder or by another contractor.

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

2. MINIMUM QUALIFICATIONS

2.1 Respondent's Minimum Qualifications

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

1. Bidders must be appropriately licensed in California to conduct services described below, including having active license(s) issued by the California Department of Insurance (CDI).
2. Bidders must be established general agents currently doing business in the California small group market (fewer than 50 employees) with a majority of their business revenue derived from group health insurance coverage.
3. Bidders must demonstrate sufficient scope and staffing to support sales distribution for either a geographic region or statewide. Regional bids should clearly define the geographic area served.
4. Consortium or collaborative bids are allowed. Covered California will consider bids from multiple general agents (e.g. smaller regional general agents) forming a statewide consortium or collaboration. Such bids should identify a primary bidder and consider their ability to form a single legal entity which allows Covered California to contract with and compensate a single entity.

2.2 Requirement to File a Statement of Economic Interests

1. In accordance with Title 2, California Code of Regulations, Section 18701, the Contractor is required to complete a Statement of Economic Interests (Form 700) on an annual basis <http://www.fppc.ca.gov/index.php?id=500>
2. Contractor's Contract Manager and any professional-level employees and/or subcontractors engaged in performing the consulting tasks described in this Agreement shall complete and submit a Form 700 to Covered California Contract Manager.
3. On an annual basis during the term of this Agreement, the Contractor and the same individual and any new professional-level personnel or subcontractor must complete and return a new Form 700. All subsequent forms must be received before the expiration of the initial Form 700. Noncompliance shall be cause for termination of this Agreement.

3. SCOPE OF WORK

3.1 Statement of Purpose

Covered California is seeking to contract with qualified Health Insurance General Agents who are interested in providing General Agent services to Covered California's Small Business Health Option Program (SHOP). Covered California intends to contract with selected General Agents to provide the services described Section 3.4 of this Scope of Work. Interested parties are invited to review and respond to this RFP.

Both health plan issuers and agents recognize that General Agents currently play a significant role in the small group market. Most issuers have contractual relationships with General Agents, which aggregate benefit and rate information for multiple issuers and products and provide enrollment and sales support for the broad agent community. When agents work with a General Agent, agent compensation is paid by the health plan issuers or their representatives. General Agents are usually compensated by the health plan issuers they represent, most often based on a percentage of premium or override commission. General agents may also provide small employer benefit administration services, other value-added products and services to supported agents and their small business clients. General Agents provide a convenient broad-market perspective to independent agents that might otherwise have to request proposals from several issuers and manually compile the data into a proposal. In addition to the aggregated proposal, General Agents provide agents with the product and sales training, online tools and resources needed to achieve their sales goals. Many General Agents also employ enrollment staff located throughout the state to help facilitate employer open-enrollment meetings, often in Spanish or other languages. Once enrolled, the General Agents prepare (or "scrub") the applications for processing ensuring all required documents and signatures are provided to allow for expedient approval by the issuers. The General Agent may also provide post-sales and renewal support on behalf of the insurance agent of record.

The mission of Covered California is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value. Covered California recognizes that General Agents may be of considerable assistance in achieving this mission. As such, this RFP seeks input from General Agents on their level of interest in assisting Covered California in implementing the SHOP program, and input into the General Agent working relationship Covered California desires to create.

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

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

3.2 Background

Soon after the passage of the federal Patient Protection and Affordable Care Act of 2010 (ACA), California became the first state to enact legislation to establish a health benefit exchange (Chapter 655, Statutes of 2010-Perez and Chapter 659, Statutes of 2010-Alquist). Covered California is an independent public entity within California State Government that is governed by a five-member board appointed by the Governor and the Legislature. The California State law that established Covered California is referred to as the California Patient Protection and Affordable Care Act (CA-ACA).

Beginning in 2014, Covered California will offer an accessible, statewide on-line marketplace that makes it easier for individuals and small businesses to compare plans and buy health insurance in the private market. The focus of Covered California will be on individuals, including those eligible for subsidies available only through Covered California, and small businesses, including those that qualify for tax credits under the Affordable Care Act (ACA). Small businesses will be served through the SHOP program effective January 1, 2014. Covered California's goal is to make affordable insurance available to all qualified individuals and to all California businesses with fewer than 50 employees.

3.3 Reference Documents

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

3.4 Project Tasks

General Agents (GA) selected to provide sales support to agents on behalf Covered California will be asked to provide, at a minimum, the following services:

1. Complete all required training and certification for SHOP and Covered California policies and procedures and on use of Covered California systems;
2. Fairly and objectively promote the full array of SHOP Exchange products for agents to sell;
3. Promote and accept on-line applications and provide Covered California quotes, either on the GA proprietary quote engine, a third-party quote engine, or on the Covered California Information Technology (IT) platform;
4. Make consistent and measureable attempts to maximize the percentage of applications submitted electronically, as opposed to hard copy;
5. Adhere to SHOP requirements for content quoted on third party quote engines, if applicable;
6. Recruit agents to promote enrollment in SHOP;
7. Train agents to gain Covered California Certification;

8. Train agents on SHOP Exchange products;
9. Provide field training and sales support to agents;
10. Assist agents with new business submissions;
11. Ensure that new business submissions include all information, documents and forms required by SHOP
12. Ensure that all new groups being submitted are eligible for coverage, and that the information included with each new group submission supports that eligibility
13. Provide agents with assistance with open enrollment support; in the field and by telephone, in Spanish and other languages as available;
14. Participate in joint GA/SHOP planning activities with Covered California; and
15. Optimize agent SHOP production and assist in goal-setting.

A General Agent for Covered California may provide additional services to Covered California small business customers, as approved by Covered California.

3.5 Contract Completion Criteria

This contract will be considered complete when Covered California's Project Manager has approved and accepted all assigned deliverables.

3.6 Deliverable Acceptance Criteria

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

Deliverable acceptance criteria consist of the following:

1. Deliverable-specific work was completed as specified and the final deliverable product/service was rendered.
2. Plans, schedules, designs, documentation, and reports (deliverables) were completed as specified and approved.
3. All deliverable documentation and artifact gathering have been completed.
4. All deliverables are in a format useful to Covered California.
5. If a deliverable is not accepted, Covered California will provide the reason, in writing, within ten (10) business days of receipt of the deliverable.

3.7 Contractor Roles and Responsibilities

The Contractor is expected to:

1. Designate a person to whom all communications may be addressed and who has the authority to act on all aspects of the contract for services. This person will be responsible for the overall work and will be the contact for all Contractor issues.
2. Provide written reports for review and approval by Covered California and formally respond to Covered California review findings as necessary.

3.8 Covered California's Roles and Responsibilities

Covered California will:

1. Designate Covered California contact person (Project Manager) to whom all Contractor communications may be addressed and who has the authority to act on all aspects of the services. This person will review the agreement and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.
2. Provide access to business and technical documents as necessary for the Contractor to complete the tasks identified in this RFP.
3. Ensure appropriate resources are available to perform assigned tasks, attend meetings, and answer questions.
4. Ensure that decisions are made in a timely manner.
5. Identify and provide access to Subject Matter Experts to assist with any stakeholder groups providing input on health plan management and benefit plan design issues.

3.9 Project Assumptions and Constraints

1. No overtime pay or travel will be authorized.
2. Any modifications to tasks within the SOW of this contract will be defined, documented, and mutually agreed upon by the Contractor and Covered California's Project Manager prior to starting work on the modified task. Amendments to the contract for tasks within the SOW are limited to an extension of time or tasks directly related to solicitation management as outlined in this SOW.
3. Covered California's Project Manager reserves the right to renegotiate the services deemed necessary to meet the needs of this project according to Covered California's priorities. Covered California and the Contractor must mutually agree to all changes. Renegotiated services outside the scope of the original contract will require contract amendment prior to commencement of work.

4. Covered California and the Contractor are mutually obligated to keep open and regular channels of communication in order to ensure the successful execution of this contract. Both parties are responsible for communicating any potential problem or issue to Covered California's Project Manager and the Contractor's engagement manager, respectively, within 48 hours of becoming aware of the problem.

3.10 Contract Amendment

Covered California may, at its discretion, extend the contract through a formal amendment to cover June 5, 2014 through June 4, 2015. If mutually agreed upon by the State and the Contractor, this Agreement shall be amended to include additional services and funding.

3.11 Multiple Contracts Awarded

Covered California may, at its discretion, award the services under this RFP to multiple Contractors to meet Covered California's needs.

3.12 Payment and Invoicing

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

Payment to the Contractor will be contingent upon final approval of services rendered. The Contractor may invoice Covered California only after the successful completion and acceptance of services rendered. The Contractor may not invoice Covered California for any costs exceeding the maximum amount of the final contract.

4. PROPOSAL RESPONSE CONTENT

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

1. Administrative Requirements
 - a. Payee Data Record
 - b. Darfur Certification
 - c. Confidentiality Statement
 - d. Form 700 Certification
2. Cover Letter
3. Understanding and Approach Narrative
4. General Agent Activity Considerations
5. Operational Information and Data Narrative
6. Sales Statistics

7. Exchange Experience Narrative
8. Marketing Activities
9. Sales Projections
10. Compensation
11. Additional Input
12. Assumptions
13. Costs: Include Cost Worksheet (Attachments 2-B)

4.1 Proprietary Information

Any documentation submitted which has been marked “Confidential” or “Proprietary” may not be accepted. All documents submitted in response to this RFP will become the property of the State of California. Government Code Section 100508(a)(1) exempts from disclosure under the Public Records Act all deliberative processes, communications, or portions of negotiations with entities contracting or seeking to contract with Covered California and entities with which Covered California is considering a contract. Included within the exemption are score sheets and proposals submitted by Vendors for purposes of competing for a contract. Covered California may, at its discretion, waive this exemption.

5. FINAL PROPOSAL REQUIREMENTS DETAIL

Final Proposals must contain all information required in this RFP and must conform to the format described.

5.1 Administrative Requirements

Final Proposals will be assessed on a pass/fail basis to verify compliance with all Administrative Requirements.

5.1.1 All Final Proposals must be submitted within the timelines specified in Section 1.2 of this RFP.

5.1.2 One (1) hard copy marked “Master”, three (3) additional hard copies, and one (1) electronic copy submitted on CD, shall include the following Administrative Requirements in this order:

1. A cover letter signed by a person authorized to bind the company, which also includes the company’s certification number(s) for SB and/or DVBE (if applicable).
2. A Certificate of Liability Insurance equal to or greater than \$1,000,000.
3. Proof of Workers’ Compensation Liability Insurance.
4. A signed Payee Data Record form STD. 204 available at: www.documents.dgs.ca.gov/osp/pdf/std204.pdf.
5. A signed Federal Debarment Certification (Attachment 1-B).
6. A completed certification form showing, upon award of the contract, the Bidder/Contractor agrees to provide a completed Title 22, California Code of Regulations 1230000 Statement of Economic Interests, Form 700 (Attachment

- 1-D).
7. A completed Darfur Contracting Act Certification (Attachment 1-F).

5.2 Response Requirements

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

5.2.1 Cover Letter

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

1. General Agent's company name, mailing address and telephone number;
2. Name, telephone number, fax number, e-mail address, and title of a contact person;
3. Title of this RFP;
4. Submission date of your response; and
5. Signature and printed name of an individual authorized to represent the General Agent.

5.2.2 Understanding and Approach

Include a description of your understanding of the project's goals, emphasizing your understanding of the objectives and the major activities that must be performed to complete the work. Discuss your strategy for providing a draft solicitation document within the time period allocated for that task. Include your expectations of all entities outside your own team. Provide the assumptions used to develop the response.

Covered California anticipates that selected General Agents will develop approaches and strategies to address the following issues.

1. Strategies for supporting specific populations, including underserved populations, rural areas and start-up companies;
2. Strategies for promoting small business retention through Covered California;
3. Approaches to offering broader employee choice (e.g. employee choice options of both issuers and metal tiers);
4. Ideas for additional services and value General Agents could provide to Covered California's small business customers;
5. Approaches to promoting and supporting agent education relative to Covered California, including working with Covered California on education to ensure agents are appropriately trained to gain SHOP certification;

6. Approaches to providing sales and marketing support to agents to encourage enrollment and facilitate the ability of agents to enroll small business customers through Covered California using tools such as digital marketing, direct mail, telemarketing, webinars, or other effective strategies;
7. Approaches to maximize enrollment integration between the SHOP and the Individual Exchange, specifically integrating and supporting the enrollment of dependents waiving group coverage and opting for enrollment in the individual Exchange and/or subsidized programs such as MediCal;
8. Approaches to maximizing the percentage of online applications, as opposed to hard copy applications; and
9. Approaches to supporting the sale and marketing of supplemental benefits, including dental and vision products.

5.2.3 General Agency Activity Considerations

Include a description of your understanding of two key considerations/constraints with regards to this project.

First, Covered California anticipates that the SHOP Administrative vendor will be accountable for the direct oversight of all Covered California-related work performed by selected General Agents. Specifically, the vendor will be responsible for management of the following General Agent activities:

1. Training;
2. Sales and marketing services
3. Licensing management;
4. Communications;
5. Data management; and
6. Reporting.

Second, in order to deliver affordable and competitive health coverage that is competitive with the commercial market, Covered California seeks General Agents that will accept reasonable compensation that is less than the traditional override commissions generally paid in the commercial health care marketplace. Our approach must take into consideration the challenges plan issuers will face in meeting new medical loss ratio requirements in 2014. Bids based on this consideration will be favorably weighed as affordability and reasonable margins are a guiding principle for an effective and mutually beneficial Covered California partnership (see Section 6) Evaluation Criteria for more information regarding scoring.

6.2.4 Operational Information and Data

Please provide a brief description of your organization, including:

1. Number of agents served on a consistent monthly basis,
2. Number of field sales representatives by region served;
3. Are your sales representatives compensated on new business only, or both new business and renewals?
4. Explain the role of your sales support and/or account management staff. How do they interact with your sales representatives?
5. Provide the name of and summary information for your quoting system. Is it proprietary or third party?
6. Is your general agency requesting a statewide contract, or a regional contract?
7. What resources would you require from Covered California to successfully market the SHOP Exchange products?
8. Describe your current process for “scrubbing” new case submissions to ensure that all required information is presented. Is there a Quality Control and/or performance guarantee feature to this process?

5.2.4 Sales Statistics

Please include in your proposal the following sales statistics:

1. Total number of medical members currently serviced (inforce medical member lives) in the California Small Group market.
2. Average new California small group medical members enrolled per month for 2011 and 2012.
3. Average new California small group purchasing pool and/or exchange-type medical members enrolled per month for 2011 and 2012.

5.2.5 Exchange Experience

Indicate the number of years and/or months of experience that your general agency has with the active marketing of small group purchasing pool or exchange-type medical products.

5.2.6 Marketing Activities

With respect to SHOP Exchange products, provide a quarterly overview for Quarter 3 and Quarter 4 of 2013, and each quarter of 2014 and 2015, for launch events, agent

sales events, and other sales or training events that you would use to create enthusiasm and growth for the SHOP Exchange products.

5.2.7 Sales Projections

Provide sales projections (new medical members by month) for the SHOP Exchange products for 2014 and 2015.

5.2.8 Compensation

Covered California's expectation is that a balance will be struck between the number of General Agents participating in Covered California, and the compensation model which is developed – fewer General Agents should result in lower per transaction commissions offset by larger volumes of business.

Covered California will establish General Agent compensation via competitive bid.

1. Please discuss any concerns the lower compensation structure contemplated for the SHOP creates.
2. Please discuss your preferred approach to compensation (e.g. percent of premium, flat PMPM, other) and provide tentative rates or likely ranges. If your approach also includes performance incentives, or a sliding scale based on production levels, please include specific terms and/or tiers for such an approach.

5.2.9 Additional Input

Please describe any concerns or objections that you have regarding the Scope of Work and what we are proposing. For example:

1. Is something missing that you feel is important to the General Agent's role with Covered California?
2. Do you have any innovative concepts that you would like Covered California to consider in developing a formal General Agent scope of work for contracting?
3. Please describe any concerns or objections you may have to the approach to compensation proposed in this RFP for General Agents doing business with Covered California.
4. What unique and positive characteristics does your general agency have that would make your agency more effective than your competitors in helping grow SHOP Exchange membership?
5. What changes and/or improvements has your company made to better position it to compete and service agents in the post-PPACA marketplace? Please respond with specific references to the service challenges that PPACA may evoke.

5.2.10 Assumptions

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

5.2.11 Model Contract Response

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

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

Provide a high-level work plan for this effort. The work plan must identify major activities, estimated start and end dates, and deliverable milestones. At a minimum, the work plan must map each primary task to a deliverable. The response must include any additional information that the Contractor deems necessary to explain how the Contractor intends to meet Covered California's requirements. Include the following as appropriate (maximum of 25 pages, including charts, tables, and graphs):

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

The Model Contract contains the standard terms and conditions between Covered California and all Contractors. Any changes to these terms and conditions should be made with track changes and submitted as part of the bidder's response.

6. REVIEW OF FINAL PROPOSALS FOR AWARD/SELECTION CRITERIA

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

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

Phase 2 - Review of the responses to determine contractor's ability to perform the project tasks and the Scope of Work, including Understanding and Approach, Operational Information and Data, Sales Statistics, Exchange Experience, Marketing Activities, Sales Projections, Compensation and Additional Input, as well as corporate qualifications, engagement team qualifications, resumes, and project management approach.

Phase 3 – Review of the contractor's response and revisions to the Model Contract as shown in Attachment 2

6.2 Interviews

After Phase 2, interviews may be conducted with the highest rated bidders. The exact number of bidders interviewed is entirely at the discretion of Covered California. The specific staff to be interviewed will be agreed upon between Covered California and the bidder at the time the interview is scheduled.

6.3 Evaluation Criteria

Evidence of extensive previous experience in similar complex, short-deadline efforts will receive significant consideration in the evaluation process, as will demonstrated experience related to the Scope of Work.

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

Criteria	Points
Administrative Requirements (pass/fail)	50
Understanding and Approach	50
Operational Information and Data	75
Sales Statistics	100
Exchange Experience	100
Marketing Activities	150
Sales Projections	100
Compensation	200
Additional Input	75
Totals	900

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

6.3.1 Evaluation of Understanding and Project Management Approach, Contractor Qualifications, and Engagement Team Qualifications

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

1. Understanding and Approach
2. Operational Information and Data
3. Sales Statistics
4. Exchange Experience
5. Marketing Activities
6. Sales Projects
7. Compensation
8. Additional Input

6.3.1.1 Understanding and Approach

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Bidder's understanding of and insight into the challenges, issues, and risks faced by Covered California as depicted in the Scope of Work, and the feasibility, efficiency, and expected effectiveness of the approaches offered by the Bidder to provide assistance to Covered California. Evaluators will assign scores based upon information contained in the Bidder's Understanding and Approach Narrative. The Evaluation Team will consider, in descending order of importance:

1. Quality of the Bidder's approach to addressing scope of responsibilities and activities, including how the Bidder will provide the flexibility to address issues as they arise, while maintaining a high level of quality in the approach;
2. Quality of the Bidder's approach to early identification of issues and risks, and how the approach will directly contribute to resolution and mitigation; and
3. Demonstrated understanding of the key characteristics of the project in general.

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

Understanding and Approach Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Understanding and approach clearly demonstrates unusual insight and/or creativity.	50
Acceptable	No reservations or minimal reservations about bidder's understanding and approach.	40
Marginal	Material reservations about bidder's understanding and approach.	30
Unacceptable	Understanding of the project and client needs clearly	0

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
	deficient.	

6.3.1.2 Operational Information and Data

Covered California seeks a vendor that employs an experienced staff of sales representatives and has significant reach across the agent community. Also, the vendor should maintain a high degree of activity and communication with agents. Further, the vendor should maintain a highly functional, proven quoting system, and have a commitment to submitting business that has been properly screened and prepared.

Scoring of this factor will be based upon the Evaluation Team's assessment of the bidder's Operational Information and Data narrative. Scores will be assigned in accordance with the rating scale shown below, Operational Information and Data Scoring Key.

Operational Information and Data Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	High degree of confidence in Operational Information and Data.	75
Acceptable	Minimal reservations about Operational Information and Data.	55
Marginal	Material reservations about Operational Information and Data.	35
Unacceptable	Operational Information and Data clearly inadequate.	0

6.3.1.3 Sales Statistics

Covered California seeks a vendor that will provide sales results that will meet or exceed established goals on a consistent basis.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Sales Statistics provided by the bidder. The Evaluation team shall consider past performance, as well as new ideas to make a significant sales impact.

Scores will be assigned in accordance with the rating scale shown below, Sales Statistics Scoring Key.

Sales Statistics Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Proven ability to exceed anticipated goals	100

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Acceptable	Proven ability to meet anticipated goals	75
Marginal	Material reservations about ability to meet anticipated goals	45
Unacceptable	Inadequate proof that anticipated goals could be met	0

6.3.1.4 Exchange Experience

Covered California seeks a vendor that has experience marketing an exchange-type program, with methods that have proven effective with this unique product.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Exchange Experience provided by the bidder. The Evaluation team shall consider past and current experience, as well as new ideas and sales methods that could be beneficial in an exchange-type program.

Scores will be assigned in accordance with the rating scale shown below, Exchange Experience Scoring Key.

Exchange Experience Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Previous and/or current experience totaling more than ten years	100
Acceptable	Previous and/or current experience totaling five to ten years	75
Marginal	Previous and/or current experience totaling one to five years	45
Unacceptable	Less than one year of experience marketing an exchange-type product	0

6.3.1.5 Marketing Activities

Covered California seeks a vendor with an aggressive marketing plan, and a history of frequent, effective marketing activities.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Marketing Activities narrative provided by the bidder. The Evaluation team shall consider past activities and visibility in the marketplace, as well as the vendor's marketing plan for the last two quarters of 2013, and full years for 2014 and 2015.

Scores will be assigned in accordance with the rating scale shown below, Marketing Activities Scoring Key.

Marketing Activities Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	High degree of confidence in marketing plan provided	150
Acceptable	Minimal reservations in marketing plan provided	100
Marginal	Material reservations in marketing plan provided	75
Unacceptable	Marketing plan provided clearly inadequate	0

6.3.1.6 Sales Projections

Covered California seeks a vendor that will help meet or exceed anticipated sales goals, while continually building SHOP visibility in the marketplace.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Sales Projections provided by the bidder.

Scores will be assigned in accordance with the rating scale shown below, Sales Projections Scoring Key.

Sales Projections Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Sales projections provided by member exceed anticipated goals	100
Acceptable	Sales projections provided by vendor are within a reasonable range of anticipated goals	75
Marginal	Sales projections provided by vendor are below a reasonable range of anticipated goals	45
Unacceptable	Sales projections provided by vendor are substantially below a reasonable range of anticipated goals	0

6.3.1.7 Compensation

Covered California seeks a vendor that will accept reasonable compensation that is less than the traditional override commissions generally paid in the commercial marketplace.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Compensation information provided by the bidder. The Evaluation team shall consider all aggressive and reasonable compensation strategies that vendors submit.

Scores will be assigned in accordance with the rating scale shown below, Compensation Scoring Key.

Compensation Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Compensation strategy submitted is aggressive and shows long-term viability	200
Acceptable	Compensation strategy submitted could be viable on a current and long-term basis	150
Marginal	Compensation strategy submitted may have weaknesses on either a current or long-term basis	100
Unacceptable	Compensation strategy submitted is not viable on either a current or long-term basis	0

6.3.1.8 Additional Input

Covered California seeks additional general input regarding how the vendor's strategy and approach to marketing the SHOP program would result in mutual long-term growth and profitability.

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Additional Input provided by the bidder. The Evaluation team shall consider all ideas and input that vendors provide.

Scores will be assigned in accordance with the rating scale shown below, Additional Input Scoring Key.

Additional Input Scoring Key

RATING	EVALUATION TEAM ASSESSMENTS	POINTS
Outstanding	Input provided would significantly help drive growth and profitability on a current and long-term basis	75
Acceptable	Input provided would help drive growth and profitability to a reasonable extent	55
Marginal	Input provided may not help drive the growth and profitability that SHOP requires	35
Unacceptable	Input provided would not have any significant effect on growth and profitability	0

7. PREFERENCE PROGRAMS

7.1 Small Business Preference

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

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

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

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

7.2 Target Area Contract Preference Act (TACPA) / Enterprise Zone Act (EZA) & Local Agency Military Base Recovery Preference Request (LAMBRA)

This RFP does not include TACPA, EZA, or LAMBRA preferences. However, during the RFP process, contractor(s) may apply for the preference. Contractor(s) are encouraged to review the package carefully to ensure that their submittals conform to the programs' preference requirements. See <http://www.pd.dgs.ca.gov/disputes/default.htm>.

1. See Target Area Contract Preference Act (TACPA) forms at: <http://www.pd.dgs.ca.gov/edip/tacpa.htm>
2. See Enterprise Zone Act (EZA) forms at: <http://www.pd.dgs.ca.gov/edip/eza.htm>
3. See Local Agency Military Base Recovery Act (LAMBRA) forms at: <http://www.pd.dgs.ca.gov/edip/lambra.htm>

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

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

7.3.1 *Commercially useful function*

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

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

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

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

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

Attachment 1

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

Attachment 2

2-A: Model Contract