COVERED CALIFORNIA

California Health Benefit Exchange (Exchange)
RFP 2014-19: Premium Accounting

January 30, 2015

Addendum #1

Table of Contents

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) and Attachment 2-D: Exhibit B, Attachment 1, Cost Worksheet. By submitting an offer, your company agrees to the terms and conditions stated in this RFP.

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

1.2 Key Action Dates

Bidders 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 Time.

KEY ACTION DATES

Request for Proposal Release Date:	**Friday, January 30, 2015**
Questions Due Date:	**Friday, February 6, 2015 before 3:00 pm**
Responses Posted By:	**Friday, February 13, 2015**
Final Proposals Due Date:	**Friday, February 20, 2015 before 3:00 pm**
Interviews:	**Week of March 2, 2015**
Notice of Intent to Award	**Monday, March 16, 2015**
Estimated Agreement Term Dates:	**May 1, 2015 - June 30, 2016**

1.3 Contact

John Chermesino
California Health Benefit Exchange
1601 Exposition Boulevard
Sacramento, CA 95815

E-mail address: HBEXSolicitation@covered.ca.gov

1.4 Agreement Amount

Total funds available for this RFP are $3,350,000.00. Responses shall not exceed $3,350,000.00 in total costs. A response that exceeds this amount will not be considered for selection.

1.5 Bidder Questions

Bidders shall submit questions regarding this RFP by the due date and time specified in the Key Action Dates table in Section 1.2. Only e-mail inquiries addressed to the contact person listed in Section 1.3 will be accepted. Bidders shall provide specific information to enable the Exchange to identify and respond to their questions. When submitting inquiries, please reference the RFP number. At its discretion, the Exchange may contact an inquirer to seek clarification for any inquiry received. Bidders who 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.

1.6 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 on conformance to the RFP instructions, responsiveness to the RFP requirements, 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 the Exchange.

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 as determined by the Exchange in its sole discretion. The Final Proposal must contain all items required in the RFP.

4. False or Misleading Statements: Proposals that contain false or misleading statements, or that provide references that do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of the Exchange, such information was intended to mislead the Exchange 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 Exchange to award an agreement. The Exchange reserves the right to reject any or all offers received if the Exchange determines that it is in the Exchange’s best interest to do so. Assumptions made by the Bidder in response to this RFP do not obligate the Exchange 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” and the selection, if made, may be made to multiple Bidders. The SOW and bid will be made a part of the resulting Agreement.

1.7 Format of Proposals

This RFP requires Bidders to submit a proposal that shall contain all required Administrative and Technical Attachments and Exhibits, and is submitted in a sealed envelope/container when shipped to the Exchange by the date and time shown in Section 1.2 Key Action Dates. The sealed package must be plainly marked with the 1) RFP number and title, 2) company name and address, and 3) must be marked with “DO NOT OPEN”, as shown in the following example:

RFP 2014-19
Premium Accounting
Attention: John Chermesino
California Health Benefit Exchange
1601 Exposition Blvd.
Sacramento, CA 95815
DO NOT OPEN

Bidder shall submit four (4) copies for all Administrative/Technical Attachments and Exhibits in the sealed Envelope/Container. In the Bidder’s best interest, one (1) should be titled “Master Copy”, with the remaining three (3) being additional copies. Bidder shall also provide a CD-ROM with the appropriate Administrative and Technical Attachments and Exhibits in searchable text format (e.g., Microsoft Word©, searchable Adobe® PDF). Each copy shall be titled and unbound.

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

Proposals not submitted under sealed cover will be rejected.

1.8 Rejection of Proposals

Deviations, whether or not intentional, may cause a proposal to be non-responsive and not considered for award. The Exchange may reject any or all proposals and may waive any immaterial deviation or defect in a proposal. The Exchange'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 an agreement. **FINAL PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED IN SECTION 1.2 KEY ACTION DATES OR NOT SEALED** will remain unopened and will be maintained by the Contact listed in Section 1.3 separately from proposals that have been timely received.

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

The Exchange reserves the right to reject any/all proposals. The Exchange is not required to award an agreement.

1.9 Errors in Final Proposals

An error in the Final Proposal may cause the rejection of that proposal; however, the Exchange may, **AT ITS SOLE OPTION,** retain the proposal and make certain corrections. In determining if a correction will be made, the Exchange 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 the Exchange, is clearly established based on review of the complete Final Proposal submittal, the Exchange may at its sole option correct an error based on that established intent.

2. The Exchange may at its sole option correct obvious clerical errors.

3. The Exchange 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 for verification purposes.

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. Bids may not be withdrawn without cause subsequent to bid submission deadline.

5. Before submitting a response to this solicitation, proposers should review, correct all errors, and confirm compliance with the RFP requirements.

6. The Exchange may modify the RFP prior to the bid submission deadline by the issuance of an addendum.

7. The Exchange reserves the right to reject any bid that does not satisfy the requirements set forth in the RFP. The Exchange is not required to award an agreement.

8. All proposals must be based on the Model Contract provided with this solicitation (Scope of Work provided in Section 3, and agreement General Terms and Conditions provided in Attachment 2). Bidders must submit as part of their response any exceptions to the Model Contract they wish to negotiate. Bidder exceptions must be documented in an attachment labeled “Proposal Contract Exceptions.” All Model Contract exceptions must be included in the Final Proposal at the time of submission. No additional exceptions may be presented during agreement negotiations.

9. No oral understanding or agreement shall be binding on either party.

1.10 Protest

A protest may be submitted according to the procedures set forth below. If a Bidder has submitted a proposal that it believes to be totally responsive to the requirements of the solicitation process and believes the Bidder should have been selected, according to Section 5.3 - Evaluation Criteria, and the Bidder believes the Exchange has incorrectly selected another Bidder for the award, the Bidder may submit a protest of the selection as described below. Protests regarding selection of the “successful Bidder” will be heard and resolved by the Exchange’s Executive Director.

All protests must be made in writing, signed by an individual who is authorized to contractually bind the Bidder, and contain a statement of the reason(s) for protest, citing the law, rule, regulation, or procedures on which the protest is based. The protester must provide facts and evidence to support their claim. Certified or registered mail must be used unless delivered in person, in which case the protester should obtain a receipt of delivery. The final day and time to submit a protest is before 3:00 PM, five (5) business days after the Notice of Intent to Award is published. Protests must be mailed or delivered to:

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

1.11 Disposition of Bids

Upon Bid opening, all documents submitted in response to this RFP will become the property of the Exchange, and subject to Government Code 100508, at the Exchange’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.

1.12 Agreement Execution and Performance

Performance shall begin no later than the express date set forth in the RFP by the Exchange after all approvals have been obtained and the agreement is fully executed. Should the Bidder fail to commence work by the agreed date and time, the Exchange, upon five (5) days written notice to the Bidder, reserves the right to terminate the agreement. In addition, the Bidder shall be liable to the Exchange for the difference between Bidder’s bid price and the actual cost of performing the work by a replacement Bidder.

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

1.13 Subsequent Solicitation

At the Exchange’s sole discretion, after the agreement award has been made and the agreement has been executed, if the agreement is terminated with or without cause after performance has begun, the Exchange may engage the next-highest-ranked proposer without performing a subsequent solicitation.

1.14 Addition or Subtraction of Services

Notwithstanding that bids have been submitted, at the Exchange's sole discretion, the scope of work may be modified to add or remove services through an addendum. If bids have been submitted at the time the Exchange posts the addendum, the Exchange may restrict responses to the addendum so that only those entities that have submitted bids in response to the initial RFP may respond to the addendum with the modified services.

2. MINIMUM QUALIFICATIONS

2.1 Respondents' Desirable Qualifications

Respondents' desirable qualifications include:

- Contractor must demonstrate that staff assigned to the project possess the experience, education, knowledge, and skills required to perform the SOW described in this RFP.

- The Exchange seeks a team with experience and knowledge of, or experience in, the process outlined in the SOW. The proposed team must possess knowledge and understanding of premium accounting, and financial planning and analysis.

- The Contractor's work hours must be consistent with those of the Exchange's key staff and must be performed on-site at the Exchange's headquarters. The Exchange's normal business hours are 8:00 AM to 5:00 PM PST, Monday through Friday, except for standard holidays.

2.2 Respondents' Minimum Qualifications

Respondents' Minimum Qualifications include:

- Previous consulting engagements regarding the Affordable Care Act or the Exchange, and the health care industry in general.

- Team leader must hold a Bachelor's degree in accounting, business or finance.

- Senior consulting staff must have a minimum of two (2) years' work experience in accounting, business or finance.

- Each senior consulting team member must include information regarding their education, specialties and experience relevant to the required tasks.

- Ability to develop practical recommendations.

- Ability to build trust and work effectively with management and staff.

2.3 Reassignment of Personnel

1. The Bidder shall not reassign personnel assigned to the agreement during the term of the agreement without prior written approval of the Exchange. If a Bidder's employee is unable to perform duties due to illness, resignation or other factors beyond the Bidder's control, the Bidder shall make every reasonable effort to provide suitable substitute personnel.

2. Substitute personnel shall not automatically receive the hourly rate of the individual or position being replaced. The Exchange and the Bidder shall negotiate the hourly rate of any substitute personnel to the agreement. The hourly rate negotiated shall be dependent, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the agreement.

3. The Exchange reserves the right to request a Bidder employee be removed from performing any work on the agreement, and upon written notice to the Bidder, the Bidder shall assign a substitute employee.

3. SCOPE OF WORK

3.1 Background

Part of the CalHEERS Project is the development of premium accounting and reconciliation functions, which includes compensating Assisters. This work entails working with health plans to perform: accounting and reconciling of premium payments; calculating and collecting the Exchange's fee; developing and implementing the accounting and cash processes to compensate Assisters; and, establishing proper controls and fraud prevention that will be associated with the continued implementation of the Exchange.

The purpose of this RFP is to obtain the services of consultants to provide the Exchange with support to perform accounting and reconciling of premium payments, calculating and collecting the Exchange's fee, developing and implementing the accounting and cash processes to compensate Assisters, and establishing proper controls and fraud prevention that will be associated with the continued implementation of the Exchange.

3.2 Reference Documents

For additional information about the Exchange and previous solicitations, please visit: http://hbex.coveredca.com/solicitations/

3.3 Project Tasks

The following brief Scope of Work outlines the Exchange's overall expectations. Potential Bidders are asked to develop their own, more detailed approach in response to this RFP.

The Contractor shall provide consulting services to the Exchange, in order to design, develop, review, and research the most effective policies, procedures and workflows for the Exchange's premium accounting and reconciliation functions. In collaboration with Exchange, partners, and other stakeholders, the goals of this project are to accomplish the following:

a. Development, design and implementation of a premium accounting and reconciliation process with appropriate controls and fraud prevention.

b. Development, design and implementation of cash and accounting processes for compensating Assisters with appropriate controls and fraud prevention.

c. Providing accounting rules and specifications for CalHEERS by building appropriate accounting systems to achieve the above goals.

In addition, the Contractor shall provide consulting services to the Exchange, in order to assist in Financial Planning and Analysis design and implementation. The Contractor shall work closely and collaborate with Exchange staff in developing and providing the following services and deliverables, which include, but are not limited to:

a. Budgeting

b. Financial planning

c. Forecasting

d. Revenue planning

e. Profit and loss development

f. Financial modeling

g. Financial analysis

h. Development of key performance indicators/metrics.

3.4 Agreement Completion Criteria

The agreement resulting from this RFP will be considered complete when the Exchange's Project Manager has approved and accepted all assigned agreement deliverables.

3.5 Deliverable Acceptance Criteria

All concluded work must be submitted to the Exchange for review and approval or rejection. Payment for all tasks performed under this Scope of Work will be based on time and materials. It will be the Exchange's sole determination as to whether tasks have been successfully completed and are acceptable.

Throughout the agreement, the Exchange will review and validate services performed. In addition, the Exchange's Project Manager will verify and approve the Bidder's invoices. Signed acceptance is required from the Exchange 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 or service was rendered.

2. Plans, schedules, designs, documentation, digital files, photographs 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 the Exchange.

5. If a deliverable is not accepted, the Exchange will provide the reason, in writing, within ten (10) business days of receipt of the deliverable.

3.6 Bidder Roles and Responsibilities

The Bidder shall:

1. Designate a person to whom all project communications may be addressed and who has the authority to act on all aspects of the agreement for services. This person will be responsible for the overall project and will be the contact for all invoice and Bidder staffing issues.

2. Provide written reports for review and approval by the Exchange and formally respond to the Exchange review findings as necessary.

3. Meet weekly with the Exchange staff to discuss progress.

4. Make its best efforts to maintain staff continuity throughout the life of the project. If, however, a substitution becomes necessary, the Bidder must submit resumes for review, in advance, for all proposed personnel substitutions. All Bidder personnel substitutions must be approved in writing by the Exchange’s Project Manager. Failure to receive the required approvals may result in agreement termination.

3.7 The Exchange’s Roles and Responsibilities

The Exchange shall:

1. Designate an Exchange contact person (Project Manager) to whom all Bidder 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 Bidder to ensure understanding of the responsibilities of both parties.

2. Provide access to business and technical documents as necessary for the Bidder 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 decisions are made in a timely manner.

5. Provide work areas and meeting rooms, as needed.

6. Identify and provide access to Subject Matter Experts to assist in the elaboration of technical requirements.

3.8 Project Assumptions and Constraints

1. The Bidder's work hours must be consistent with the Exchange's key staff on-site, whose normal business hours are 8:00 AM to 5:00 PM Pacific Time, Monday through Friday, except for standard holidays.

2. Overtime rates will not be reimbursed under the agreement.

3. Travel will not be reimbursed under the agreement.

4. Any modifications to tasks within the SOW of the agreement will be defined, documented, and mutually agreed upon by the Bidder and the Exchange's Project Manager prior to starting work on the modified task. Amendments to the agreement for tasks within the SOW are limited to an extension of time or tasks directly related to the SOW.

5. The Exchange's Project Manager reserves the right to renegotiate the services deemed necessary to meet the needs of this project according to the Exchange's priorities. The Exchange and the Bidder must mutually agree to all changes. Renegotiated services outside the scope of the original agreement will require agreement amendment prior to commencement of work.

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

3.9 Agreement Amendment

The Exchange may, at its sole discretion, extend the term of the agreement for two (2) years. If mutually agreed upon by the Exchange and the Bidder, this agreement shall be amended to include additional funding at the same rates provided in the Bidder's proposal.

3.10 Payment and Invoicing

Payment to Bidder is contingent upon the Exchange's receiving funding from the Federal government and the collection of fees assessed from the Qualified Health Plans. The Exchange shall bear no liability or responsibility for payment to Bidder, even for services provided and delivered, in the event payment to the Exchange from the Federal government or the collection of fees assessed from the Qualified Health Plans is delayed, suspended or terminated.

The Bidder may invoice the Exchange only after the successful completion and acceptance of the deliverables. The Bidder may not invoice the Exchange for any costs exceeding the maximum amount identified to complete a deliverable.

4. PROPOSAL RESPONSE CONTENT

The Final Proposal requirements are described in detail in subsequent sections of this document:

1. Administrative Requirements
2. Understanding and Approach
3. Corporate Qualifications Summary
4. Resumes
5. Past Projects Completed
6. Assumptions
7. Updated Model Contract
    a. Using the Exhibit A template (Attachment 2-B), include revised Exhibit A with updated Scope of Work, using track changes.
        i. Understanding and Description of the Tasks to be Performed (Work Plan)
    b. Costs: Include revised Exhibit B with Exhibit B, Attachment 1, Cost Worksheet (Attachments 2-C and 2-D)
    c. Include Exhibits C, D, and E (Attachment 2-E through 2-G) with track changes. Submission of these Exhibits without track changes implies an acceptance to those Terms and Conditions.

4.1 Proprietary Information and Confidential Status of Responses

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

4.2 Administrative Requirements

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

4.2.1 All Final Proposals must be submitted within the timelines specified in Section 1.2 Key Action Dates of this RFP, and 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 General Liability Insurance equal to or greater than $1,000,000.

~~2.~~3. A Certificate of Errors and Omissions Coverage equal to or greater than $1,000,000.

~~3.~~4. Proof of Workers' Compensation Liability Insurance.

~~4.~~5. A signed Payee Data Record form Std. 204 (Attachment 1-F).

~~5.~~6. A signed Federal Debarment Certification (Attachment 1-B).

~~6.~~7. A completed certification form showing, upon award of the agreement, the Bidder agrees to provide a completed Title 22, California Code of Regulations 1230000 Statement of Economic Interests, Form 700 (Attachment 1-C).

4.3 Technical Requirements

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

4.3.1 Understanding and Approach

Include a description of your understanding of the project's goals, emphasizing your understanding of the objectives and the major activities that must be performed to complete the work. Discuss your strategy for providing the services outlined in the SOW within the time period allocated for that task. Provide a table showing hours per week by person covering the agreement term. Include your expectations of all entities outside your own team. Provide the assumptions used to develop the response (no more than two (2) pages).

4.3.2 Corporate Qualifications Summary

Describe and provide examples of the company's overall organizational capability and resources as they relate to the general requirements set forth in this RFP's SOW, including the following:

1. Ability to manage the project and the risks involved with the project.

2. Ability to complete projects on time and within budget.

3. Ability to provide quality deliverables.

4. Evidence of the firm's experience performing the services outlined in this solicitation, including the total number of years the firm has been providing the services outlined in the SOW (no more than two (2) pages).

4.3.3 Resumes

Provide a resume of the relevant experience for each proposed Bidder staff person. For each experience citation provided on a resume, the resume must include:

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

2. Description of Specific Experience: A complete description of the relevant experience, including identification of the client, name of the project, roles and responsibilities of the individual, and types of services provided by the individual.

4.3.4 Past Projects Completed

Describe in a narrative for no more than five (5) projects your organization has completed in the last two years that relate to the tasks listed in the SOW (no more than two (2) pages).

4.3.5 Assumptions

Document any assumptions the Bidder is making about the SOW, the responsibilities of the Bidder and the Exchange, and any other issues relevant to the Bidder's Offer and ability to do the work for the proposed cost (no more than two (2) pages).

5. REVIEW OF FINAL PROPOSALS FOR AWARD/SELECTION CRITERIA

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

Phase 1 – Administrative Requirements. The evaluation team will review responses to the Administrative Requirements.

Phase 2 – Technical Requirements. Review of the understanding and approach, corporate qualifications, resumes and past projects completed.

Phase 3 – Cost Score. The evaluation team will review and score cost proposals based on the formula shown in Section 5.4.

5.2 Interviews

After Phase 2, interviews may be conducted with up to three of the highest-rated Bidders. The exact number of Bidders interviewed is entirely at the discretion of the Exchange. The specific staff to be interviewed will be agreed upon between the Exchange and the Bidder at the time the interview is scheduled.

5.3 Evaluation Criteria

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

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

Criteria	Weight	Points
Administrative Requirements	10%	100
Understanding and Approach	10%	100
Corporate Qualifications	15%	150
Resumes	15%	150
Past Projects Completed	20%	200
Cost	30%	300
Totals	**100%**	**1000**

Preference Programs, if applicable	Points
Small Business	15
DVBE Participation 5% or Over	15
DVBE Participation 4% to 4.99% inclusive	12
DVBE Participation 3% to 3.99% inclusive	9
DVBE Participation 2% to 2.99% inclusive	6
DVBE Participation 1% to 1.99% inclusive	3

After the weighted evaluation criteria described above are applied, the highest-rated responses shall be recommended for selection. If two or more of the highest-rated responses are evaluated as substantially equal after applying the weighted evaluation criteria described above, then the response providing best value to the Exchange shall be recommended for selection.

The Exchange evaluation team will evaluate Bidder proposals in these areas including administrative and technical requirements:

1. Understanding and Approach
2. Corporate Qualifications
3. Resumes
4. Past Projects Completed.

5.3.1.1 Understanding and Approach

Scoring of this factor shall be based upon the Evaluation Team's assessment of the Bidder's understanding of and insight into the challenges, issues, and risks faced by the Exchange as depicted in the SOW, and the feasibility, efficiency and expected effectiveness of the approaches offered by the Bidder to provide assistance to the Exchange. 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 in 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 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.

5.3.1.2 Corporate Qualifications

The Exchange seeks a Bidder with significant corporate capacity to respond to its needs for the duration of the agreement that can provide a high degree of qualified staff continuity and a consistently high level of individual team member performance.

Corporate Description and Background: Scoring of this factor will be based on the evaluation team's assessment of corporate resources, capacity, and historical track record as they relate to the SOW. Evaluators will assign scores based on the Bidder's Corporate Qualifications narrative.

5.3.1.3 Past Projects Completed

Scoring of this factor will be based on the evaluation team's assessment of the breadth, depth and relevance to the SOW requirements, as well as corporate resources and capacity as indicated by the characteristics projects previously completed. Evaluators will assign scores based on information contained in the Past Projects Completed narrative.

5.3.2 Scoring Criteria

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

Relation to Require-ments	Strengths	Deficiencies	Weaknesses	Likelihood of Success	Rating	Score
Superior attainment of all requirements	Numerous and significant in key areas	None	Minor, if any	Very High	**Excellent**	**10**
Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	**Good**	**7.5**
Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	**Acceptable**	**5.0**
May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses or deficiencies	Significant	Significant	Poor	**Marginal**	**2.5**
Not likely to meet all requirements	None, or some that are far outweighed by weaknesses or deficiencies	Needs major revision	Needs major revision	None	**Unacceptable**	**0**

5.4 Cost Score

Cost (300 points)

Each Bidder's cost score will be calculated based on the ratio of the lowest cost proposal to the Bidders' cost, multiplied by the maximum number of cost points available (300), as shown in the calculation below:

$$\frac{\text{Lowest Total Cost Bid}}{\text{Bidder Total Cost}} \quad X \quad \text{Total cost points available}$$

Example: To help illustrate this process, refer to table below, for an example of the cost score calculation process. **Cost figures in the example below explain the calculations and have no other significance.**

Cost Evaluation and Scoring Methodology Example

Bidder	Grand Total Cost	Calculation	Cost Points Awarded
A	$400,000	$300,000 X 300 $400,000	225
B	$350,000	$300,000 X 300 $350,000	257
C	$300,000	$300,000 X 300 $300,000	300

6. PREFERENCE PROGRAMS

6.1 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.

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

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

6.2.1 Commercially useful function

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

<u>CUF Definition</u> 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 agreement 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 agreement.
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, agreement, 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 Summary Form
1-E: Bidder Instructions
1-F: Std. 204 Payee Data Record
1-G: Bidder Declaration
1-H: Cover Sheet
1-I: DVBE Bidder Declaration

Attachment 2

2-A: Std. 213 Standard Agreement
2-B: Exhibit A – Scope of Work
2-C: Exhibit B – Budget Provisions
2-D: Exhibit B – Attachment 1, Cost Worksheet
2-E: Exhibit C – General Terms and Conditions
2-F: Exhibit D – Special Terms and Conditions
2-G: Exhibit E – Additional Provisions
2-H: Exhibit F – Privacy and Security Requirements