

**FINAL AWARD**

**Bid #:** SP-11-0208

**Bid Opening Date:** 4/15/2011

**Commodity Services:** Arkansas Health Benefits Exchange  
Consultant

**Vendor:** First Data

**E-mail:** [cynthia.crone@arkansas.gov](mailto:cynthia.crone@arkansas.gov)

State of Arkansas  
 OFFICE OF STATE PROCUREMENT  
 1509 West Seventh Street, Room 300  
 Little Rock, Arkansas 72201-4222

**REQUEST FOR PROPOSAL**

<b>RFP Number:</b> SP-11-0208	<b>Buyer:</b> Kurtis L. Markish
<b>Service:</b> Arkansas Health Benefits Exchange Consultant	<b>Date:</b> March 14, 2011
<b>Agency:</b> Arkansas Insurance Department	<b>Proposal Opening Date:</b> April 15, 2011
<b>Service Location:</b> Statewide	<b>Proposal Opening Time:</b> 2:00 p.m. CST

PROPOSALS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE INCLUDING THE OUTSIDE OF OVERNIGHT PACKAGES **MUST** BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING AND VENDOR'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE OFFICE OF STATE PROCUREMENT. **Vendors are responsible for delivery of their proposal documents to the Office of State Procurement prior to the scheduled time for opening of the particular proposal. When appropriate, vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the OSP office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, and FedEx deliver mail to our street address, 1509 W. 7<sup>th</sup> Street, Room 300, Little Rock, AR 72201-4222, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.**

<b>PROPOSAL DELIVERY ADDRESS:</b> Office of State Procurement 1509 West Seventh Street, Room 300 Little Rock, AR 72201-4222 TELEPHONE NUMBER: 501-324-9316	<b>PROPOSAL OPENING LOCATION:</b> Office of State Procurement 1509 West Seventh Street, Room 300 Little Rock, AR 72201-4222
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Company Name: \_\_\_\_\_

Name (type or print): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_

USE INK ONLY; UNSIGNED PROPOSALS WILL NOT BE CONSIDERED

Identification: \_\_\_\_\_

•  
 Federal Employer ID Number

•  
 Social Security Number

**FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY RESULT IN PROPOSAL REJECTION**

Business Designation (check one):  
 Individual       Sole Proprietorship       Public Service Corp  
 Partnership       Corporation       Government/ Nonprofit

General Description	Consultant
Type of Contract:	Term
Buyer:	Kurtis Markish
Agency P.R. Number:	1000543122

**MINORITY BUSINESS POLICY:** Minority participation is encouraged in this and in all other procurements by State agencies. "Minority" is defined by Arkansas Code Annotated § 1-2-503 as "black or African American, Hispanic American, American Indian or Native American, Asian, and Pacific Islander". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Bidders unable to include minority-owned business as subcontractors "may explain the circumstances preventing minority inclusion".

Check minority type:

- African American                       Hispanic American                       American Indian  
 Native American                       Asian     Pacific Islander

Arkansas Minority Certification Number \_\_\_\_\_

**EQUAL EMPLOYMENT OPPORTUNITY POLICY:** In compliance with Act 2157 of 2005, the Office of State Procurement is required to have a copy of the vendor's Equal Opportunity Policy prior to issuing a contract award. EO Policies may be submitted in electronic format to the following email address: [eeopolicy.osp@dfa.state.ar.us](mailto:eeopolicy.osp@dfa.state.ar.us), or as a hard copy accompanying the solicitation response. The Office of State Procurement will maintain a file of all vendor EO policies submitted in response to solicitations issued by this office. The submission is a one-time requirement, but vendors are responsible for providing updates or changes to their respective policies, and for supplying EO policies upon request to other state agencies that must also comply with this statute. Vendors that do not have an established EO policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

**ACT 157 of 2007 EMPLOYMENT OF ILLEGAL IMMIGRANTS:** Pursuant to Act 157 of 2007, all bidders must certify prior to award of the contract that they do not employ or contract with any illegal immigrants in its contract with the State. Bidders shall certify online at: <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new>.

**ALTERATION OF ORIGINAL RFP DOCUMENTS:** The original written or electronic language of the RFP documents shall not be changed or altered except by approved written addendum issued by the Office of State Procurement. This does not eliminate an Offeror from taking exception(s) to non-mandatory terms and conditions, but does clarify that the Offeror cannot change the original document's written or electronic language. If the Offeror wishes to make exception(s) to any of the original language, it must be submitted by the Offeror in separate written or electronic language in a manner that clearly explains the exception(s). If Offeror's/Respondent's submittal is discovered to contain alterations/changes to the original written or electronic documents, the Offeror's response may be declared as "non-responsible" and the response may not be considered.

**REQUIREMENT OF ADDENDUM:** THIS PROPOSAL MAY BE MODIFIED ONLY BY ADDENDA WRITTEN AND AUTHORIZED BY THE OFFICE OF STATE PROCUREMENT. Vendors are cautioned to ensure they have received or obtained and responded to any and all addenda to the proposal prior to submission. There will be no addenda to a proposal 72 hours prior to the proposal opening. It is the responsibility of the vendor to check the OSP website, <http://www.arkansas.gov/dfa/procurement/bids/index.php> for any and all addenda up to that time.

**DELIVERY OF RESPONSE DOCUMENTS:** In accordance with the Arkansas Procurement Law and Regulations, it is the responsibility of vendors to submit proposals at the place, and on or before the date and time, set in the solicitation documents. Proposal documents received at the Office of State Procurement after the date and time designated for proposal opening are considered late proposals and shall not be considered. Proposal documents arriving late, which are to be returned and are not clearly marked, may be opened to determine for which RFP the submission is intended.

**ADDITIONAL TERMS AND CONDITIONS:** The Office of State Procurement objects to, and shall not consider, any additional terms or conditions submitted by an offeror, including any appearing in documents attached as part of an offeror's response. In signing and submitting a proposal, the respondent agrees that any additional terms or conditions, whether submitted intentionally or inadvertently, shall have no force or effect. Failure to comply with terms and conditions, including those specifying information that must be submitted with a proposal, shall be grounds for rejecting a proposal.

**ANTICIPATION TO AWARD:** After complete evaluation of the proposal, the anticipated award will be posted on the OSP website (<http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx>) and/or the legal section of a newspaper of statewide circulation. The purpose of the posting is to establish a specific timeframe in which vendors and agencies are aware of the anticipated award. The proposal results will be posted for a period of fourteen (14) days prior to the issuance of any award. Vendors and agencies are cautioned that these are preliminary results only, and no official award will be issued prior to the end of the fourteen day posting period. Accordingly, any reliance on these preliminary results is at the agency's/vendor's own risk.

The Office of State Procurement reserves the right to waive the policy of Anticipation to Award when it is in the best interest of the State. Vendors are responsible for viewing the Anticipation to Award section of the OSP web site at: [http://www.arkansas.gov/dfa/procurement/pro\\_intent.php](http://www.arkansas.gov/dfa/procurement/pro_intent.php) .

**PAST PERFORMANCE:** In accordance with provisions of The State Procurement Law, R7: 19-11-229 Competitive Sealed Bidding - Bid Evaluation paragraph (E)(i) & (ii): a vendor's past performance with the state may be used in the evaluation of any offer made in response to this solicitation. The past performance should not be greater than three (3) years old and must be supported by written documentation on file in the Office of State Procurement at the time of the RFP opening. Documentation may be in the form of a written or electronic report, VPR, memo, file or any other appropriate authenticated notation of performance to the vendor files.

**VISA ACCEPTANCE:** Awarded Respondents should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment. Price changes or additional fees may not be assessed when accepting the p-card as a form of payment. The successful respondent may receive payment from the State by p-card in the same manner as other VISA purchases. VISA acceptance is preferred, but is not the exclusive method of payment.

**EO-98-04 GOVERNOR'S EXECUTIVE ORDER:** Bidders should complete the Disclosure Forms posted with this proposal.

## **SECTION 1 GENERAL INFORMATION**

### **1.0 INTRODUCTION**

The Office of State Procurement (OSP) issues this Request for Proposal (RFP) on behalf of the Arkansas Insurance Department (herein described as AID) for interested offerors to provide services as further detailed in the RFP. This RFP seeks to identify a qualified and experienced firm that will enter into a contract with the Arkansas Insurance Department (AID) to conduct background research, analyze data, identify options, and recommend a viable plan for developing and sustaining the complete Arkansas Health Benefits Exchange.

## 1.1 **ISSUING OFFICE**

The issuing officer is the sole point of contact for this RFP. Any vendor questions or clarifications regarding matters related to this RFP must be directed to the State's buyer, Kurtis Markish at [kurtis.markish@dfa.arkansas.gov](mailto:kurtis.markish@dfa.arkansas.gov). Written questions must be submitted to the issuing officer. All questions should be marked "Questions" and the proposal number should be indicated. The questions will be answered and posted on the OSP website. Accordingly, reliance on information received other than from the issuing office is at the offeror's own risk.

Kurtis Markish, Issuing Officer  
Office of State Procurement  
1509 W. Seventh St. – Third Floor  
Little Rock, Arkansas 72201-4222  
Phone: (501)-324-9322  
Fax: (501)-324-9311  
E-mail: [kurtis.markish@dfa.arkansas.gov](mailto:kurtis.markish@dfa.arkansas.gov)

## 1.2 **TERM OF THE CONTRACT**

The contract period begins May 1, 2011 and terminates in 90 days.

By mutual agreement, AID and the contractor may elect to extend the contract six times for a one (1) year period or a portion thereof, not to exceed a maximum of six (6) additional years or any portion thereof.

Any services on contract by the AID must be paid for, but do not obligate the State to continue the contract beyond the end of a biennial period.

## 1.3 **DEFINITION OF TERMS**

This section of the RFP provides detailed definitions of appropriate acronyms and terms relative to this RFP.

The terms "respondent, proposer, vendor, offeror, bidder" are used synonymously in this document.

**AID** - Arkansas Insurance Department

**OSP** - Office of State Procurement

## 1.4 **RFP FORMAT**

Any statement in this document that contains the word "must" or "shall" or "will" means that compliance with the intent of the statement is mandatory, and failure by the respondent to satisfy that intent will cause the proposal to be rejected. It is recommended that offerors respond to each item or paragraph of the RFP in sequence. Items not needing a specific vendor statement may be responded to by concurrence or acknowledgement; no response will be interpreted as an affirmative response or agreement to the State conditions. Reference to handbooks or other technical materials as part of a response must not constitute the entire response and respondent must identify the specific page and paragraph being referenced.

## 1.5 **FUNDING INFORMATION**

FUNDING INFORMATION FOR THIS PROCUREMENT WILL NOT BE RELEASED TO OFFERORS.

## 1.6 CAUTION TO VENDORS

- A. During the time between the proposal opening and contract award, any contact concerning this RFP will be initiated by the issuing office or requesting entity and not the vendor. Specifically, the person(s) named herein will initiate all contact.
- B. Vendors **must** submit **one (1) signed original technical proposal**, on or before the date specified on page one of this RFP. Vendors **must** also submit **one (1) original "Official Proposal Price Sheet"**. **Do not include any pricing from the Official Proposal Price Sheet on the technical proposal or electronic copies. Pricing from the Official Price Sheet(s) must be separately sealed from the technical proposal response and clearly marked as pricing information.** The vendor should submit three (3) complete **electronic** copies (marked copy) of the signed RFP technical proposal response preferably in MS Word/Excel format, on CD or flash drive. **Do not include any pricing from the Official Proposal Price Sheet on the technical proposal electronic copies. Pricing from the Official Proposal Price Sheet must be separately sealed from the technical proposal response and clearly marked as pricing.** Failure to submit the required number of electronic copies of the proposal may be cause for rejection. If the Office of State Procurement requests additional copies of the proposal, they **must** be delivered within twenty-four (24) hours of request.
- C. For a proposal to be considered, an official authorized to bind the vendor to a resultant contract **must** have signed the proposal in ink.
- D. All official documents and correspondence shall be included as part of the resultant contract.
- E. The State Procurement Official reserves the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the State to do so. Proposals will be rejected for one or more reasons not limited to the following:
  - 1. Failure of the vendor to submit his proposal(s) on or before the deadline established by the issuing office.
  - 2. Failure of the vendor to respond to a requirement for oral/written clarification, presentation, or demonstration.
  - 3. Failure to sign the Official RFP Document.
  - 4. **Failure to complete the Official Proposal Price Sheet and include it sealed separately from the rest of the proposal.**
  - 5. Any wording by the offeror in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a requirement in the RFP.
  - 6. Failure of any proposed service to meet or exceed specifications.

## 1.7 CONTRACT INFORMATION

The State of Arkansas may not contract with another party:

- A. To indemnify and defend that party for any liability and damages. However, the State Procurement Official may agree to hold the other party harmless from any loss or claim resulting directly from and attributable to the State's use or possession of equipment or software and reimburse that party for the loss caused solely by the State's uses or possession.
- B. Upon default, to pay all sums to become due under a contract.
- C. To pay damages, legal expenses or other costs and expenses of any party.
- D. To continue a contract once the equipment has been repossessed.

- E. To conduct litigation in a place other than Pulaski County, Arkansas.
- F. To agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

A party wishing to contract with the State of Arkansas should:

- A. Remove any language from its contract which grants to it any remedies other than:
  - 1. The right to possession.
  - 2. The right to accrued payments.
  - 3. The right to expenses of de-installation.
  - 4. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
  - 5. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.
- B. Include in its contract that the laws of the State of Arkansas govern the contract.
- C. Acknowledge that contracts become effective when awarded by the State Procurement Official.

### 1.8 **RESERVATION**

This RFP does not commit the State Procurement Official to award a contract, to pay costs incurred in the preparation of a proposal in response to this request, or to procure or contract for any service. The State reserves the right to accept or reject, in part or in its entirety, any or all proposals received as a result of the RFP, if it is in the best interest of the State to do so.

### 1.9 **COST OF PROPOSALS**

Costs incurred in preparation of proposals are solely the responsibility of the offerors. The AID will provide no reimbursements for such costs. Costs associated with any oral presentations to the AID will be the responsibility of the offeror and may not be billed to the AID. Oral presentations may only be made at the request of the AID.

### 1.10 **TERMS AND CONDITIONS OF PROPOSAL**

To be considered, offerors must include as part of their proposal all of the provisions of the RFP.

- A. The Contractor shall at all times observe and comply with federal and State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of the work. The Contractor and surety shall indemnify and save harmless the Agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the Contractor.

The Contractor shall comply with the nondiscrimination clause contained in Federal Executive Order 11246, as amended by Federal Executive Order 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor and with Title 41, Code of Federal Regulations, Chapter 60. The contractor and subcontractor shall comply with Arkansas Act 954 of 1977.

The Contractor shall comply with regulations issued by the Secretary of Labor of the United States in Title 20, Code of Federal Regulations, Part 741, pursuant to the provisions of Executive Order 11753 and the Federal Rehabilitation Act of 1973. The Contractor shall be responsible for insuring that all subcontractors comply with the above mentioned regulations.

The Contractor and its subcontractors shall comply with the Civil Rights Act of 1964, and any amendments thereto, and the rules and regulations there under, and Section 504 of Title V of the Vocational Rehabilitation Act of 1973 as amended.

The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the clause.

The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age (except as provided by law), marital status, political affiliation, or handicap, except where it relates to a bona fide occupational qualification.

- B. In accordance with federal regulation, the contractor agrees to retain all pertinent records for five (5) years after final payment is made under this contract or any related subcontract. In the event any audit, litigation or other action involving these records is initiated before the end of the five (5) year period, the contractor agrees to retain these records until all issues arising out of the action are resolved or until the end of the five (5) year period, whichever is later.
- C. The Contractor will grant access to its records upon request by state or federal government entities or any of their duly authorized representatives. Access will be given to any books, documents, papers or record of the Contractor which are related to any services performed under the contract. The Contractor additionally consents that all subcontracts will contain adequate language to allow the same guaranteed access to the record of subcontractors.
- D. **Order of Precedence.** In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, service, time schedule, requirements, specifications or tasks in this agreement, said conflict or inconsistency shall be resolved according to the following priority:
  - The Request for Proposal document
  - Written clarifications to the RFP
  - Proposal of Respondent Awarded Contract

#### 1.11 **PROPRIETARY INFORMATION**

Proprietary information submitted in response to this RFP will be processed in accordance with applicable State of Arkansas procurement procedures. Proposals and documents pertaining to the RFP become the property of the State and shall be open to public inspection subsequent to proposal opening. It is the responsibility of the vendor to identify all proprietary information. **The vendor should submit one complete electronic copy of the proposal, preferably in PDF format, from which any proprietary information has been removed, i.e. a redacted copy.** The redacted copy should reflect the same pagination as the original and show the empty space from which information was redacted. Except for the redacted information, the redacted electronic copy must be identical to the original hard copy. The redacted electronic copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the vendor. If you do not send a redacted electronic copy your entire proposal will be open to public inspection with the exception of financial data (other than pricing). If the State of Arkansas deems redacted information to be subject to the FOIA, the vendor will be contacted prior to the release of this information.

#### 1.12 **STATEMENT OF LIABILITY**

The State will demonstrate reasonable care, but at no time will the State be responsible for or accept liability for any vendor-owned items.

#### 1.13 **AWARD RESPONSIBILITY**

The State Procurement Official will be responsible for award and for administration of any resulting contract.

#### 1.14 **PUBLICITY**

News releases pertaining to the RFP or the services, study, data or project to which it relates will not be made without prior written approval of the State Procurement Director, and then only in accordance with the explicit written instructions from the Director. No results of the program are to be released without prior written approval from the State Procurement Director, and then only to persons designated.

#### 1.15 **INDEPENDENT PRICE DETERMINATION**

By submission of his/her proposal, the vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal: the prices in the proposal have been arrived at independently, without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence of collusion to warrant consideration of this proposal by the Office of the Attorney General, all vendors should understand that this paragraph might be used as a basis for litigation.

#### 1.16 **WARRANTY**

The vendor must warrant that all services and any other items provided by the vendor in conjunction with this RFP will be performed:

- At the level specified herein.

Vendor shall, at his/her expense remedy all such defects in performance.

#### 1.17 **CONFIDENTIALITY**

The vendor shall be bound to confidentiality of any information of which its employees may become aware during the course of performance for the contracted task. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the contract.

#### 1.18 **TERMINATION OF CONTRACT**

In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes; changes in laws, rules, or regulations; relocation of offices; or lack of appropriated funding, the State may cancel the contract or purchase order by giving the contractor written notice of such cancellation sixty (60) days prior to the date of cancellation. Upon receipt of notice of termination, the contractor shall be paid the following:

- **At the contract price(s) for completed service to and acceptance by the State**
- **At a price mutually agreed by the contractor and State for partially completed services.**

### 1.19 **NEGOTIATIONS**

As provided in this request for proposal and under regulations, discussions may be conducted with responsible vendor(s) who submit proposal(s) determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal response and negotiation for best and final offers.

### 1.20 **INTELLECTUAL PROPERTY**

All records and data pertaining to the contract will remain the property of the AID. Upon expiration or termination of contract, in order to ensure orderly turnover in the event another provider is selected or AID takes over preparation, the contractor shall turn over the complete operation within sixty (60) days.

### 1.21 **ANTICIPATED PROCUREMENT TIMETABLE**

The following timetable is anticipated for the procurement process. All times refer to local time in Little Rock, Arkansas.

<b><i>Action</i></b>	<b><i>Date</i></b>
RFP Issued	March 14, 2011
Deadline Date for Receipt of Written Questions	March 30, 2011
Answers Posted on OSP Website	April 4, 2011
Opening Date and Time/Receipt of Proposals	April 15, 2011
Proposal Reviews Completed*	April 21, 2011
Contractor Commences Performance	May 1, 2011

\* Dates are approximate.

### 1.22 **CONTRACT PAYMENT**

In consideration of the contract agreement provisions and RFP requirements, the state agrees to pay the contractor on a monthly reimbursement basis after expenditures have occurred. The contractor must submit proof of expenditures when requesting reimbursements in the form of invoices, receipts and/or a spreadsheet outlining each line item of the reimbursement form. Award recipient must submit a reimbursement request for payment for the services delivered no later than fifteen (15) calendar days after the affected month. The payment for services can be expected to be distributed after review of a submitted reimbursement request within five (5) to ten (10) working days.

### 1.23 **TECHNOLGOY ACCESS**

The Vendor shall at all times comply with the provisions of Arkansas Code Annotated § 25. 26. 201 et seq, which expresses the policy of the State of Arkansas to provide individuals who are blind or visually impaired with access to information technology purchased in whole or part with state funds. The Vendor expressly acknowledges that state funds may not be expended in connection with the purchase of information technology unless that system meets certain statutory requirements, in accordance with the State of Arkansas technology policy standards, relating to accessibility by persons with visual impairments.

Accordingly, the Vendor represents and warrants to the State of Arkansas that the technology provided to the state for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

- Providing equivalent access for effective use by both visual and non-visual means;
- Presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and

- After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance.

These specifications do not prohibit the purchase or use of an information technology product that does not meet these standards if the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually.

#### 1.24 **COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM**

The respondent’s solution must comply with the state’s shared Technical Architecture Program which is a set of policies and standards that can be viewed at:

[www.dis.arkansas.gov/poli\\_stan\\_bestpract/policies.htm](http://www.dis.arkansas.gov/poli_stan_bestpract/policies.htm).

Only those standards which are fully promulgated or have been approved by the Governor’s Office apply to this solution.

### **SECTION 2 PROPOSAL SUBMISSION REQUIREMENTS**

#### 2.0 **OVERVIEW**

This request for proposals (RFP) seeks to identify a qualified and experienced firm that will enter into a contract with the Arkansas Insurance Department (AID) to conduct background research, analyze data, identify options, and recommend a viable plan for developing and sustaining the complete Arkansas Health Benefits Exchange. The proposed plan will be in compliance with the Patient Protection and Affordable Care Act and Arkansas law, and will address needs of Arkansans.

Contract activities will include consulting with AID leadership and Health Benefits Exchange (Exchange) planning staff, multiple Exchange stakeholder planning workgroups, and other identified key informants/resources in developing a viable plan that describes needs, refines goals, and outlines activities, products, costs, timelines, and benchmarks for developing and sustaining a consumer-centered and stakeholder-supported Arkansas Health Benefits Exchange. The planned Exchange operations will provide for consumer choice among qualified, affordable health plans and integrate outreach, eligibility, subsidy determinations and enrollment functions with Arkansas Medicaid and CHIP programs at a minimum. It will also provide post-enrollment services including complaint resolution and customer plan changes or reenrollment as needed.

The successful vendor will produce an integrated planning document that combines background research with best practice models and innovation to describe alternatives, cost estimates, timelines, and recommendations for implementing and sustaining a “world class” Arkansas Exchange. The selected contractor may award subcontracts to achieve the work of this project; however, the primary contractor will be accountable for the timeliness, accuracy, and quality of the integrated Arkansas Exchange planning document.

The source of these planning funds is the United States Department of Health and Human Services – Center for Consumer Information and Insurance Oversight (DHHS-CCIIO). The Arkansas Benefits

Exchange implementation plan will be certified by DHHS by January 1, 2013 and fully operational prior to January 1, 2014. It will be fiscally self-sustaining by January 1, 2015. Data obtained during this planning process and the completed planning document will become property of the AID.

This RFP is intended to provide sufficient information to enable interested respondents to submit proposals meeting minimum requirements, but is not intended to limit potential contractor's content or exclude any relevant or essential data. Responders are encouraged to expand on these specifications and demonstrate innovation in addressing project goals.

The contract resulting from this RFP will be for a period of 90 days from the starting date of the contract.

#### Preliminary Goals of Arkansas Health Benefits Exchange:

- a) Improve health care access for citizens of Arkansas through simple and continuous enrollment in quality, affordable health coverage plans.
- b) Insure consumer protection through: approval, certification, and regulation of qualified plans based on services, quality, price, and value; ongoing education about consumer rights, responsibilities, and plans performance in a form consumers can understand and use to make choices among providers and plans; and advocacy for consumer complaint resolution.
- c) Operate the Exchange in a manner that is efficient and self-sustainable and provides for transparency, ongoing stakeholder involvement, and excellent customer service.
- d) Collaborate and integrate Exchange planning, operations, and improvements with other State health care reform efforts (including those of Medicaid), particularly those addressing shared health information, evidence-based services, outcomes monitoring, and cost containment resulting from innovative pricing/payment methodologies, service delivery, and overall health improvements.

These goals have implications for carriers, providers, consumers, and the State at large.

Pertinent to the goals of this project, key State agencies including the Arkansas Department of Human Services (home to Arkansas Medicaid), Arkansas Department of Insurance, Arkansas Office of Health Information Technology, Arkansas Department of Information Systems, and Arkansas Center for Health Improvement have agreed upon a strategy for a single integrated eligibility/enrollment portal for Arkansas Benefits Exchange, Arkansas Medicaid and CHIP. The specifics of this strategy have not been developed. Single sign-on authentication process discussions have begun. The State Medicaid agency is updating its Medicaid Management Information System. There is general agreement to explore other shared services for program eligibility, administration, and technical infrastructure and architecture.

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act (P.L. 111-148). On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act creates new competitive private health insurance markets called "Exchanges" that will give millions of Americans and small businesses access to affordable coverage. Exchanges will help individuals and small employers shop for, select, and enroll in high-quality, affordable private health plans that fit their needs at competitive process. Exchanges will also assist eligible individuals to receive premium tax credits and cost sharing reductions or help individuals enroll in other Federal or State health care programs. By providing one-stop shopping, Exchanges will make purchasing health insurance easier and more understandable and will put greater control and greater choice in the hands of individuals and small businesses.

The Affordable Care Act provided that each State may elect to establish an Exchange and the United States Department of Health and Human Services (DHHS) Center for Consumer Information and Insurance Oversight provided funding to states for planning the best possible exchange for their respective states. Arkansas was awarded a planning grant and this RFP, funded by Federal funds, is intended to assist Arkansas planners in achieving meaningful background research leading to required Arkansas Exchange certification by DHHS by January 1, 2013.

## 2.1 **RFP SUBMISSIONS OVERVIEW**

The Arkansas Insurance Department has established the following minimum criteria to be included in proposal submission. Vendor should respond to each item in Section 2.1 through 2.5. At a minimum, the proposal must provide:

- Project Understanding
- Contractor Qualifications
  - Qualification of Provider Organization
  - Qualifications of Individual Researchers/Planners
- Proposal Requirements
  - Governance Model
  - Population and Marketplace Demographics; Exchange Financial Modeling
  - Program and IT Integration
  - Exchange Operations
  - Education and Outreach
  - Creativity and Innovation
  - Evaluation
  - Ongoing Communication with State Planners
- Offeror References
- Budget/Cost (Must be sealed under separate cover)

ORIGINAL PROPOSAL SHOULD BE INDEXED AND TABBED WITH THE ABOVE SECTIONS INDICATED

## 2.1 **PROPOSAL REQUIREMENTS**

The completed planning document will provide viable options and recommendations for development, implementation, and sustainability of the best possible Exchange for Arkansas. The completed planning document will also estimate costs, expenses and outlay for Exchange implementation and for annual budgets each year through 2019. Final governance and operational decisions will be made by the Arkansas Governor, AID, and the U.S. DHHS. Areas to be addressed include, but are not limited to:

### ***Governance Model***

- Organizational structure (pros and cons of various structural options for Arkansas including feasibility of State vs. multistate model).
- Location (quasi-governmental vs state agency; if state agency - which one?)
- Governance/Oversight (relation to Arkansas Insurance Department regulatory oversight)
- Policies to insure public accountability, transparency, stakeholder inclusion, clean decision rights and informational flows, responsiveness, and prevention of conflict of interest.

**Marketplace: Arkansas Population and Carrier Demographics relative to current and future (2014 and beyond) Health Insurance/Benefits Coverage**

*Insured/Uninsured*

- Number of individuals covered by employer plan (size of group, type of plans, percent of employees covered) (insured vs. self insured)
- Number of individuals eligible for employer coverage but not enrolled (insured vs. self-insured)
- Number of small employers not offering health coverage (size of group)
- Number of individuals covered by full-coverage and individual major medical plans
- Number of individuals in self-insured plans
- Number of individuals in mini-med or limited benefit plans
- Number of individuals enrolled in Medicaid
- Number of individuals enrolled in another public plan including dual eligibles
- Number of individuals eligible for Medicaid but not enrolled
- Number of individuals not insured
- How many individuals will likely remain uninsured in 2014? Demographics? Reason (not eligible, waiver, choose penalty, other)?

*Other Demographics of Insured/Uninsured (use national and AR survey data)*

- Income ( $\leq$ 138% FPL; 139% - 400% FPL;  $>$ 400% FPL)
- Age
- Work status
- Health status
- Household size
- County of residence
- Education/literacy status
- Barriers to coverage
- Electronic communication access/use (internet, email/text, smartphones/pads, kiosk, other)
- Incentives for being/not being insured.
- Other

*Insurance Marketplace – public and private. Data will guide economic modeling methods for determining the best marketplace role for the Arkansas Exchange. Innovations, models, and assumptions will be vetted through various state stakeholders before analysis, final report and recommendations. Suggested data and questions include:*

- Number of private carriers in each market and their marketshare, characteristics, reach, carrier rating rules, cost of coverage, competitiveness;
- Benefit structures including mandated benefits, premiums, out-of-pocket expenses, insured vs. self-insured networks among private carriers and public programs – for individuals and employers. What is interest in pursuing continuity in benefit design across Medicaid, CHIP, private insurance markets, and state employee plans? How would point of service co-pays be addressed for Medicaid/CHIP? What optional/ancillary plans might be offered (e.g., dental, vision, disability, other) public or private benefits might be offered? How?
- Quality and cost information by private carrier or public program – needs and gaps. For example: What is the interest in value-based plan design that combines treatments or services with research-based effectiveness with cost considerations in Medicaid, CHIP, public employee and Exchange plans? What about continuity of care and care providers when insurance coverage changes (e.g. “churning” between Medicaid and private plan)? What about payment for care coordination? What about new opportunities for expanding cost-effective home and community-based long-term services and supports?
- Roles of brokers, producers, intermediaries, and other distribution channels or resources (Navigators) for information dissemination about plans, enrollment, billing, premium processing, and post-enrollment services, including feedback loops for ongoing design improvements for individual and small business users.
- Compensation structure for navigators, producers, brokers, etc.
- Projected carriers, enrollees, medical suppliers, pharmacies, and others’ costs/fees when including all ACA requirements and projected minimum essential benefits level.
- Claims information – targeted models for evaluation of claims data. Any needed state law changes?
- Estimate number of enrollees and premium levels for private plans in Exchange.
- Estimate number of enrollees in Medicaid through the Exchange? Interest in co-pays or deductibles where allowed?
- What is projected “take-up” rate for individual and SHOP coverage (with and without subsidies)—inside and outside the Exchange? What about from Arkansas High Risk Pool (CHIP) to Exchange? Federal PCIP to Exchange?
- What will influence carrier behavior? How might we facilitate expanded carrier participation and competition? What do we want to avoid that might discourage participation?
- What will influence employer behavior? How might we facilitate sustained and increased employer participation?

- What will influence individual customer behavior? How might we provide incentives to participate in plans meeting perspectives of diverse customer bases?
- Pros and cons of merging individual and small group markets into one rating pool?
- Pros and cons of single vs. multiple exchanges in State?
- Integration and coordination for enrollment and other/services for individuals within one family but receiving coverage from multiple payers/carriers? (e.g. child on Medicaid, mother temporarily Medicaid eligible while pregnant, father covered on employer plan, etc.)
- Actuarial modeling to obtain accurate data and project needs of uninsured, newly insured, and those experiencing market changes, including changes in plans and health care provider access.
- Projected customer mix relative to health status.
- Regional/state pricing considerations (one State rate or regional rates allowed?); how will this impact border issues, carrier participation?
- Consult with Arkansas Premium Rate Review project when developing recommendations regarding a rate regulation system based on quality measures, patient centeredness, provider integration, and innovative provider payment mechanisms that align incentives for quality and efficiency with state laws and regulations.

***Program Integration*** (also see Exchange Operations below)

- Plan to integrate consumer outreach/education; eligibility determinations, verification, enrollment; premium collections and plans payment; post-enrollment services including call centers, ombudsman or other consumer advocacy programs—between Exchange, Medicaid, private plans and other public programs (e.g., TANF, SNAP). How could Arkansas Department of Health (ADH), University of Arkansas for Medical Sciences (UAMS), Arkansas Department of Human Services (DHS), Arkansas Department of Information Services (DIS), Arkansas Office of Health Information Technology (OHIT), Arkansas Insurance Department (AID), and others coordinate services and processes?
- Identify processes for cost sharing and cost allocations among different state entities (particularly Arkansas Insurance Department, Exchange, and Department of Human Services Medicaid and County Operations Divisions, and others).
- Work with Exchange planning staff and others to define business processes that meet multi-agency and State business processes, and future process changes to support interagency cooperation for Exchange operations (particularly DHS, DIS, OHIT, AID, ADH).
- Define formal agreements needed between the Exchange and AID that define roles and responsibilities relative to qualified health plans and strategies for limiting adverse selection (such as decision whether, and to what extent, to have an individual/small group market outside the Exchange).
- Define formal agreements needed between the Exchange and the State Medicaid Agency (and any other health subsidy programs as appropriate), that include: defining roles and responsibilities related to eligibility determination, verification and enrollment; identification of

challenges in program integration processes, and strategies and timelines for mitigating those issues; agreement to strategies for compliance with the “no wrong door policy”; standard operating procedures for interactions and cost allocations between Exchange, Medicaid, and other applicable funding streams within a timeline that meets Exchange start-up requirements.

- Discussion of Exchange modeling options with explanation of methods, variables, and assumptions

***IT Integration*** (also see Exchange Operations below)

Following identification of administrative integration needs and strategies for the Arkansas Benefits Exchange, identify existing and needed (public and private) IT architecture and infrastructure to launch efficient, “best practices”, integrated model for the AR Health Benefits Exchange—one that avoids duplication and maximizes existing Arkansas resources as well as federal development funds. The contactor will prepare a timeline and milestones document with estimated costs for startup and ongoing implementation of Exchange IT needs, ranging from consumer education to single, integrated eligibility/enrollment/subsidy determination portal and through post-enrollment services including complaint resolution, re-enrollment or plan changes. Key aspects will include, but not be limited to:

- Solutions that build on existing technology with standard interoperability and are functionally integrated with all applicable state and federal agencies. Assessment and plans will include rules for costs allocation and will consider modular “middleware” to allow for electronic information flow between existing/developing State systems for eligibility and enrollment portal and business operations of the Arkansas Benefits Exchange to include State single sign-on protections and OHIT State Health Alliance for Records Exchange (SHARE) Master Patient List, etc., and identify other potential efficiencies of shared services such as for proactively identifying fraud, waste, and abuse or data needed for shared outcomes evaluation. Key modules will include but not be limited to:
  - Outreach/Education
  - Eligibility
  - Enrollment
  - Cost-sharing assistance administration
  - Premium tax credits administration
  - Producer, broker compensation model
  - Premium Billing
  - Payment management system for Free Choice Vouchers
  - Health plan management to support Qualified Health Plan certification
  - Auditing
  - Complaints and Resolution Process
  - Others as needed

IT interfaces will be required with:

- DHHS Portal (Social Security Administration, IRS, Homeland Security, etc.)
  - DHS Access Arkansas
  - DHS Medicaid Management Information System (MMIS)
  - AID
  - OHIT SHARE
  - Private Carriers
  - Consumers/Navigators/CallCenter
  - Providers – to verify eligibility
  - Others to be identified
- Include web services architecture with user-friendly face, easy to navigate by public and compliant with 508 standards and Arkansas law.
  - Exchange website and calculator will require rules and systems integration to achieve online comparison of qualified health plans, requirements for online application, selection, and enrollment into qualified plans, premium tax credit and cost-sharing reduction calculator functionality, requests for assistance, and linkages to other State health subsidy programs and other health and human services such as SNAP, TANF as appropriate.
  - Use Systems Development Life Cycle (SDLC) framework, including the use of iterative and incremental design methodologies.
  - Must be secure and protect privacy of consumers, providers, others in compliance with NIST publications.
  - Must meet national standards for data exchange (ONC).
  - Plan data exchange for purposes of evaluation and ongoing performance improvements (key indicators, baseline data, plan).
  - Assess Arkansas Health Benefits Exchange IT work to date in AR and in other states to determine lessons learned. This would include review of:
    - AR interagency planning to date to establish strategy for one health IT portal with secure sign-on authentication and common core components to provide for cost savings, cost sharing across programs, and efficiencies in government (would include interaction with single Exchange eligibility/enrollment portal);
    - Existing benefit exchanges in Massachusetts, Utah, California, Wisconsin, Oregon, etc.;
    - Guidance for Exchange and Medicaid Information Technology (IT) Systems Version 10 (November 3, 2010) and any subsequent updates;
    - CCIIO Early innovator grantees' work;

- Arkansas' Employee Benefits Division enrollment and operations systems;
- Other identified resources.
- “The services description/definition, services interfaces, policies and business rules must be published in a web services registry to support both internal and external service requests that are public and private, and be able to manage role-based access to underlying data.” – CCIIO, 2011;
- Determine integrated, interagency IT timeline for implementing Exchange on-time, identifying specific agency actions/boundaries/solutions/costs;
- Determine costs and cost allocations for development, implementation, and ongoing Exchange IT operations – shared and otherwise, maximizing existing and continuing resources.

### ***Exchange Financial Modeling***

- Based on ranges of enrollment (uptake) and premium level estimates;
- Analyze and determine level of exchange infrastructure required based on empirical modeling and gaps;
- Include potential revenue sources and expected yields at various enrollment and premium levels;
- Assess existing state resources and capabilities (e.g. EBD, private companies, MMIS);
- Using exchange size, premium estimates, and infrastructure requirements, determine level of start-up and ongoing operations funding needed (Plan to include compliance with Sections 1311 and 1313 of the Affordable Care Act);
- Evaluate and recommend viable business models to include administrative and other fees (e.g., premium tax option) required for exchange “break even”, and cash flow estimates for various revenue and expense estimates through 2019.
- Obtain feedback from Arkansas stakeholders on business models.

### ***Exchange Operations*** (see also Program Integration and IT integration)

- Provide for transparency with State and Exchange accounting, cost allocations, auditing, and financial reporting as directed by ACA and the State.
- Define operational components and costs of a successful Arkansas Exchange start up and five year sustainability plan to include staffing needs, operating budget, timelines for implementation, compliance and operational guidelines. Components will include, but not be limited to:
  - Single eligibility/enrollment portal to determine and verify eligibility for Medicaid, CHIP and private plan subsidies and enroll consumers from individual and small group market;
  - Carrier menu that provides choice of qualified plans and clear decision-making tools for consumers (individuals and small businesses) in choosing and enrolling in a plan that best meets their needs;

- Premium aggregator that accurately assesses pricing/costs for coverage for individuals, families and employer groups;
  - Premium collection and remittance to include lockbox functionality for premium collections;
  - Portability of coverage;
  - Supporting, tracking, and reporting tax subsidy flows;
  - Data security that includes single sign-on authentication;
  - Systems of internal control;
  - Financial reporting;
  - External audit readiness;
  - Integrity of third party systems;
  - General Exchange information, such as Q & A, common terms, tutorials;
  - Consumer outreach and education;
  - Navigator assistance and program;
  - Multiple Exchange access points;
  - Health services matrix;
  - Call Center to assist with enrollment and consumer complaints through resolution;
  - Broker/Producer Access;
  - All payer claims data base—through SHARE?;
  - Master client index—through SHARE;
  - Other consumer tools;
  - Continuing of operations in case of a catastrophic emergency.
- Establish business plan for start-up and sustainability with accurate budget projections for first five years of operations.
  - Assess existing and define needed policies, processes, and electronic infrastructure to prevent fraud, waste, and abuse and develop strategies and policy recommendations for collaboration and/or integration with existing systems where appropriate.
  - Work with stakeholder groups to review DHHS quality rating system and develop certification standards for qualified health plans and a clear certification policy including a timeline for application submission, evaluation, and selections.
  - Work with stakeholder groups to define options for Arkansas Navigator program that considers costs, consumer access, and consumer protection. Propose milestones and timeframes for

establishment of the AR Navigator program that will include training materials and costs. Will navigators be certified? Licensed? How will they be supervised? How paid? Will there be more than one level of Navigator?

- Plan for reporting enrollment status of individuals to DHHS and others as needed.
- Plan for reporting to Treasury and employers when an employee is determined eligible for premium tax credits due to the employer not providing minimum essential coverage or the employer coverage offered is deemed unaffordable, or when an employee ceases coverage under a qualified plan for reasons including employment change.
- Plan for sharing information with qualified health plans, Medicaid, and DHHS regarding start, stop, or change in level of premium tax credits and cost-sharing reductions.
- Plan for identifying small business participation in health coverage for their employees.
- Define requirements for systems and program operations to accept, review, and adjudicate requests for coverage exceptions to include exchanging relevant information with DHHS.
- Define requirements for systems and program operations to manage and report financial component of Free Choice Vouchers to employers.
- Plan for systems and program operations to coordinate employer appeals with appeals of individual eligibility and submission of relevant data to DHHS.
- Budget to include overall Exchange staffing and operations (including Call Center and Consumer Assistance/Ombudsman Program) to address consumer inquiries, grievances and appeals, provide information about consumer protections and collect, analyze, track, and report data on inquiries and problems and how they were resolved.
- Assess potential for collaboration among AID (State Consumer Assistance program, SHIP, and Ombudsman program) and AR DHS consumer service entities to determine if/how call center functionalities can be shared to increase efficiencies, decrease costs and prevent duplication.

### ***Education and Outreach***

- Assess consumer and other stakeholder surveys or other data to identify what information consumers find useful in making health-related decisions, including health coverage enrollment, and the best ways to present that information in a way that is understandable to consumers. Where would they likely obtain trusted information? Where would they turn for help in enrolling?
- Identify existing or needed solutions to common or potential barriers experienced by consumers in understanding health coverage products and making informed decisions relative to the quality and value of a plan meeting their particular needs. How would shopping/enrollment be handled for border cities (between two states)?
- Identify mandated and optional functions of navigators and various navigator operational models. Include issues such as navigator certification, licensure, conflicts of interest, payment methods, outreach and/or enrollment functions, etc.
- Identify or propose development of valid, acceptable methods for consumer outreach and education, including ongoing development, dissemination of data-informed and understandable

materials comparing various plans, carriers, costs, services, and outcomes. These could be disseminated through community meetings, provider offices website, mail, e-mail, etc.

- Define ongoing processes for determining what consumers want/need in determining which plans to choose, and provide navigator, broker, call center and direct self-enrollment websites, kiosks with that information.
- Evaluate existing call centers or other customer services resources that could serve a quality Exchange call center/education function and compare functions and costs with those needed for start-up Health Benefits Exchange call center/navigators, comparing pros and cons of Exchange operated vs. contracted call center that would integrate services for consumers whether Medicaid, subsidy, or no-subsidy eligible to include services for consumers that walk-in, call, use mail service, or web-based services. Include costs for training of call center/navigator staff and training materials, web-videos, etc. Explore integration with other public programs informational services like SNAP, TANF, etc.
- Suggest communications plan and budget for public outreach/education about Exchange services and enrollment pathways.

### ***Evaluation***

- How will data required by PPACA be used by Exchange and across health care reform activities to improve services, activities, outcomes and lower costs? What are legal and functional requirements for data sharing and protecting individual health information?
- What are key (baseline and ongoing) data needs and sources for evaluating exchange performance and ongoing quality improvement? For example: transparency and reporting; administrative efficiencies; characteristics of participating insurance plans including rates and provider networks; characteristics of consumers; effective risk reduction/innovations/incentives to prevent adverse selection; consumer satisfaction with information, enrollment, consumer outcomes related to specific plans/providers and other services—to include covered consumers, navigators, and other stakeholders.
- What are key (baseline and ongoing) data needs to be shared through Health Information Exchange (SHARE) with other partners to assess and monitor overall access to health care, health status, health outcomes, costs and needed improvements, including those affecting workforce development and evidence-based practice implementation to include data on wellness, chronic disease prevention/management, and consumer satisfaction?

### ***Ongoing Communication with AID and Arkansas Stakeholder Groups***

- Describe plans for ongoing two-way communication with UAMS contractor performing early stakeholder involvement work, AID Exchange Planning staff, and Exchange Planning workgroups meeting in Arkansas. Workgroups will include Providers (carriers and practitioners); Consumers; Navigators/Brokers/Producers; Community Leaders; and State Agencies. How will the work of these groups inform contractor work and vice versa?
- Provide at least monthly update of work to Exchange Planning Director. Consider newsletter type updates that could be disseminated to workgroups, placed on website, etc.

## **2.2 PROJECT UNDERSTANDING**

Vendor will describe in detail the plan for meeting the requirements and objectives in this request for proposal.

## **2.3 QUALIFICATION OF PROVIDER ORGANIZATION**

The responders will submit the following in proof of the organization's qualification.

Offeror will demonstrate and provide evidence of at least 5 years experience working with health insurance and health care coverage providers, including experience with public health coverage programs and working within a governmental environment.

Offeror will demonstrate and provide evidence of complete knowledge of the Patient Protection and Affordable Care Act (PPACA) and specific expertise of provisions related to Health Benefits Exchanges. The successful bidder will be able to perform research and planning work on-site in Arkansas as needed, including meeting with various stakeholders and making presentations to stakeholders as needed. Points will be awarded to offerors who have past work experience in areas similar to the size and demographics of Arkansas.

Offeror shall present organization details including date established, ownership (public, partnership, subsidiary, or specified other), total number of employees, full-time equivalents (FTEs) engaged in similar contracts, and any similar contract(s) terminated for performance reasons including contracting entity and contact name and phone number. To address experience specific to this scope of work, respondents should submit at least three letters of recommendation from three different sources or give an explanation as to why such letters are unavailable. If subcontractors are proposed, three letters of recommendation should also be submitted for each subcontractor to attest to their work experience. The AID reserves the right to contact the references submitted as well as any other references which may attest to the respondent's work experience specific to the scope of work for this project. Be sure to include current contact information.

## **2.4 QUALIFICATION OF INDIVIDUAL RESEARCHERS/PLANNERS**

Offeror will provide evidence of availability and commitment of expert consultants/researchers for work on this project. The bidder will also provide evidence of education, knowledge, skills, and experience specific to activities outlined in the scope of work for each named consultant, researcher, or planner. This evidence will include a description of similar project(s) of like size and scope and a description of recent and similar projects successfully completed, including a statement specifying the extent of the individual's responsibility and experience on each described project. Qualifications should address research, analysis, and evaluation experience specific to the health insurance marketplace including population demographics and plan designs and costs; outreach to potential health insurance consumers in ways they can understand; business model planning; financial planning and forecasting of expenditures and potential revenue sources; and information technology (IT) infrastructure and architecture needs and gaps analyses for implementation of successful interagency, interoperable, rules-based IT solutions needed for complete (front and back office) Exchange operations and updates, including the implementation of a seamless, secure and user-friendly web-based portal for multiple-users.

The contractor will disclose other projects, in addition to this project, to which personnel are assigned and indicate the time allocated for each project. It is the AID expectation that the primary project contact (of the primary contracting agency) will be available for the duration of the project. We also expect the primary contractor to take measures to prevent or minimize the impact of any personnel changes during this short contract period. Any changes in key personnel will need AID approval.

## 2.5 PROPOSAL PRICING

The Price Proposal (Section 4) must be sealed under separate cover from the technical proposal.

The total proposal price must include all services and requirements, i.e. reporting, mailing, etc., as described in this request for proposals, for the term of the contract period.

Costs for services not included in this request for proposals will not be the responsibility of the State of Arkansas/Arkansas Insurance Department.

## 2.6 OFFEROR REFERENCES

**References:** Each respondent is to provide a list of at least **three (3) references** from clients they have done work for within the last three (3) years. Include contact person and phone number or e-mail addresses. These references will be contacted and asked to confirm:

- A. That the provider has, under previous agreement, successfully performed work of a similar nature to that detailed in this RFP.
- B. That the provider met all obligations under the aforementioned agreement with regard to the provision of services, quality of work, and completion dates.
- C. That the provider and all staff conducted themselves in a highly professional and ethical manner.
- D. That the provider met all obligations to subcontractors and transportation providers.

Submission of the required references will be evaluated as a pass or fail.

If unfavorable information is obtained from contact with references, the offeror may be deemed a non-responsible vendor and the proposal may be rejected.

## **SECTION 3 CRITERIA FOR SELECTION**

### 3.0 PROPOSAL EVALUATION CRITERIA

Following the RFP opening, proposals will be evaluated in three phases. The first phase will determine if the mandatory requirements of the RFP have been agreed to and/or met. Failure to comply will deem the proposal non-responsive. Any proposal that is incomplete may be rejected by the State. However, the State may waive minor irregularities. This phase will be completed by the Office of State Procurement.

The second phase is evaluation of criteria items (from the table below) using the considerations referenced in this RFP. This phase will be completed by an impartial committee established by the AID.

The third phase will be awarding of Price Proposal points to be determined by the following formula:  $a/b \times c = d$  (dividing lowest price by the next lowest price and multiplying by the number of points available equals the number of points awarded). The effect of the formula is to insure that the lowest proposal receives the maximum number of points and each of the other proposals receive proportionately fewer points based on proposed RFP price. The contract will be awarded to the respondent whose proposal receives the highest number of cumulative points.

The proposals will be evaluated and awarded points based on a comparative formula of relative weighting as detailed below:

<i>Criteria</i>	<i>Total Weight</i>
<b>PROJECT UNDERSTANDING</b>	<b>10</b>
<b>CONTRACTOR QUALIFICATIONS</b>	<b>15</b>
Qualifications of Provider Organization	
Qualifications of Individual Researchers/Consultants	
<b>SCOPE OF WORK</b>	<b>80</b>
Population and Marketplace Demographics; Exchange Financial Modeling	
Program and IT Integration	
Education and Outreach	
Exchange Operations	
Governance Model	
Creativity and Innovation	
Evaluation	
Ongoing Communication with State Planners	
<b>PROPOSAL PRICING/COST</b>	<b>15</b>
<b>OVERALL SCORE</b>	<b>120</b>

THERE SHALL BE NO DEVIATION FROM THE OUTLINED PRICING STRUCTURE DETAILED ON THE PROPOSAL PRICING SHEET. PROPOSAL COST SHALL BE PRESENTED AS DETAILED IN THIS RFP; FAILURE TO DO SO MAY DISQUALIFY A PROPOSAL FROM CONSIDERATION.

PRICE PROPOSAL MUST BE SUBMITTED UNDER SEPARATE COVER. ANY REFERENCE TO COST(S) INCLUDED WITH THE TECHNICAL/BUSINESS PROPOSAL WILL RESULT IN OFFEROR'S PROPOSAL BEING REJECTED. THE TECHNICAL/BUSINESS PROPOSAL WILL BE EVALUATED PRIOR TO THE COST PROPOSAL CONTENTS BEING REVIEWED.

**SECTION 4 CRITERIA FOR SELECTION**

**PROPOSAL PRICING SHEET**

**Proposal pricing sheet must be submitted under separate cover.  
Responders must include a detailed break-down of total cost.**

<i>Task</i>	<i>Total Budget/Cost</i>
Conduct background research, analyze data, identify options, and recommend a viable plan for developing and sustaining the complete Arkansas Health Benefits Exchange.	\$

**NOTES:**

- Any cost not included but subsequently incurred will be the responsibility of the vendor.
- Responses should provide at least a ninety- (90) day acceptance period due to the time required to tabulate and evaluate responses and make awards.

## STANDARD TERMS AND CONDITIONS

**GENERAL:** Any special terms and conditions included in the RFP override these standard terms and conditions. The standard terms and conditions and any special terms and conditions become part of any contract entered into if any or all parts of the response are accepted by the State of Arkansas.

**CURRENCY:** All RFP pricing and cost must be listed in United States dollars and cents and only two places past the decimal point.

**LANGUAGE:** RFP will only be accepted in the English language.

**ACCEPTANCE AND REJECTION:** The state reserves the right to accept or reject all or any part of a response or any and all responses, to waive minor technicalities, and to award the solicitation to best serve the interest of the state.

**RESPONSE SUBMISSION:** Responses must be submitted to the Office of State Procurement on this form, with attachments when appropriate, on or before the date and time specified for the solicitation opening. If this form is not used, the response may be rejected. The response must be typed or printed in ink. The signature must be in ink. Unsigned responses will be disqualified. The person signing the response should show title or authority to bind his/her firm in a contract. Each response should be placed in a separate envelope completely and properly identified. Late responses will not be considered under any circumstances.

**PRICES:** Quote F.O.B. destination. Bid the unit price. In case of errors in extension, unit prices shall govern. Prices are firm and not subject to escalation unless otherwise specified in the solicitation. Unless otherwise specified, the response must be firm for acceptance for ninety days from the response opening date. "Discount from list" responses are not acceptable unless requested in the RFP.

**QUANTITIES:** Quantities stated in term contracts are estimates only, and are not guaranteed. Provide unit price on the estimated quantity and unit of measure specified. The state may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual requirements of the ordering agency.

**BRAND NAME REFERENCES:** Any catalog brand name or manufacturer's reference used in the RFP is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If responding on other than referenced specifications, the RFP must show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The state reserves the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the state may require the respondent to supply additional descriptive material. The respondent guarantees that the product offered will meet or exceed specifications identified in this RFP. If the respondent takes no exception to specifications or reference data in this RFP, he will be required to furnish the product according to brand names, numbers, etc., as specified in the invitation.

**GUARANTY:** All items bid shall be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the RFP. The bidder hereby guarantees that everything furnished hereunder will be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which it was furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified herein.

**SAMPLES:** Samples or demonstrators, when requested, must be furnished free of expense to the state. Each sample should be marked with the vendor's name and address, solicitation number and item number. If samples are not destroyed during reasonable examination they will be returned at the vendor's expense, if requested, within ten days following the opening of responses. All demonstrators will be returned after reasonable examination.

**TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the response or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and requirements of the specifications, the cost of the sample used and the reasonable cost of the testing shall be borne by the vendor.

**AMENDMENTS:** The solicitation cannot be altered or amended after the response opening except as permitted by regulation.

**TAXES AND TRADE DISCOUNTS:** Do not include state or local sales taxes in the response price. Most state agencies must pay state sales tax. Before billing, the awarded contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices. Trade discounts should be deducted from the unit price and the net price should be shown in the response.

**AWARD:** Term Contracts: A contract award will be issued to the successful vendor(s). It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contracts: A written state purchase order authorizing shipment will be furnished to the successful vendor.

**LENGTH OF CONTRACT:** The RFP will show the period of time the term contract will be in effect.

**DELIVERY ON FIRM CONTRACTS:** The RFP will show the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the vendor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost will be borne by the vendor.

**DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

**STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

**DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the vendors list or suspension of eligibility for award.

**VARIATION IN QUANTITY:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.

**INVOICING:** The contractor shall be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the solicitation and purchase order numbers, where itemized in the RFP, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary state agencies. Invoices must be sent to the "Invoice To" point shown on the purchase order.

**STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized and returned at the contractor's expense to the F.O.B. point properly identifying what is being returned.

**PATENTS OR COPYRIGHTS:** The contractor agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.

**ASSIGNMENT:** Any contract entered into pursuant to this RFP is not assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.

**OTHER REMEDIES:** In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

**LACK OF FUNDS:** The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

**DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the vendor agrees that: (a) the vendor will not discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the vendor will state that all qualified applicants will receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the vendor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the vendor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause shall be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the vendor will include the provisions of items (a) through (d) in every subcontract so that such provisions will be binding upon such subcontractor or vendor.

**CONTINGENT FEE:** The vendor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the vendor for the purpose of securing business.

**ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this RFP, the respondent named on the front of this RFP, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this state for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.

**DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.