

REQUEST FOR PROPOSALS  
(RFP)

**ISSUE DATE:** December 12, 2005  
**TITLE:** Medicare Eligibility Determination Services  
**NUMBER:** OHB05-4  
**ISSUING AGENCY:** Commonwealth of Virginia  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219

**PERIOD OF CONTRACT:** From February 1, 2006 through January 31, 2008 with three renewal options

Sealed proposals for furnishing services described herein will be received subject to the conditions cited herein until 2:00 p.m., January 5, 2006.

All Inquiries Must Be In Writing And Should Be Directed To:

Mr. William G. Gregory  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219  
Fax Number: 804-225-2790

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS SHOWN ABOVE.

**Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.**

In compliance with this Request for Proposals, and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish materials and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

	Date: _____
	By: _____
	(PRINTED NAME)
	_____ (SIGNATURE IN INK)
_____ Zip Code: _____	Title: _____
Fax Number: (    ) _____	Telephone: (    ) _____

**PRE-PROPOSAL CONFERENCE: An Optional pre-proposal conference will be held on December 21, 2005, 10:00 a.m. at the James Monroe Building Room B. (Reference Paragraph 4.9)**

## 1.0 INTRODUCTION

### 1.1 Purpose

The purpose of this Request for Proposals (RFP) is to secure services which would result in immediate identification of Medicare eligibility for Commonwealth of Virginia Health Benefits Program and The Local Choice (TLC) program participants who should have Medicare as their primary health plan coverage based on Medicare Secondary Payer guidance. This would include:

- Retirees, long-term disability participants, survivors, and their covered dependents who are no longer covered under the program based on current employment;
- Active employees and their covered dependents who are eligible for Medicare due to End Stage Renal Disease and have exhausted their coordination period;
- Extended Coverage/COBRA qualified beneficiaries who are entitled to Medicare prior to their Extended Coverage election;
- The Local Choice (TLC) active participants age 65 and older in groups with less than 20 employees;
- The Local Choice (TLC) active participants who are under age 65 and have Medicare due to disability in groups with less than 100 employees.

The objective of obtaining these services is to ensure that the Commonwealth of Virginia Health Benefits Program and The Local Choice do not make primary payment for any health plan claims that should be paid by Medicare. In turn, this will ensure appropriate primary payment in order to avoid Medicare Secondary Payer demands and associated interest liabilities, all to the benefit of the Program and its participants.

### 1.2 Background

The Department of Human Resource Management (the Department) is the authorized agent of the Governor in administering the State Health Benefits Program for active employees, Extended Coverage/COBRA qualified beneficiaries, and retirees (including service retirees, disability retirees, long-term disability participants and survivors). There are approximately 83,000 active employees, 9,100 retiree group participants who have not been identified as eligible for Medicare and 550 Extended Coverage/COBRA participants.

The Department tracks Medicare eligibility due to age such that participants not covered due to current employment who reach age 65 are identified as being eligible for Medicare. At that time, unless they elect to discontinue participation, those identified participants are moved to the state's Medicare supplemental plan. However, the Program relies on participants to provide notification of their eligibility for Medicare prior to age 65 and enforces Medicare as primary coverage on a prospective basis if late eligibility is determined, regardless of Part B enrollment. Currently, retraction of primary payments made in error is limited to Medicare claim filing deadlines and does not include retraction of previous Part B claims paid primary in error if the participant declined Part B.

The Department also administers The Local Choice (TLC) program, which is a health benefits plan offered to localities statewide. This includes 235 member groups covering approximately 23,000 active employees and 200 retirees who have not been identified as eligible for Medicare. These groups can vary greatly in size from less than 20 to several thousand, thereby creating potential differences in coordination of benefits with Medicare. Currently, eligibility for these groups is not electronically maintained by the Commonwealth of Virginia, but plans are to have this capability in the near future, thereby allowing for application of the proposed services.

### 1.3 General Description

The Commonwealth of Virginia offers one statewide, self-funded plan to active employees and retiree group participants who have not been identified as being eligible for Medicare. There are also optional benefits that can be added to the basic coverage. Retiree group participants who become eligible for Medicare may elect to continue their coverage in a Medicare supplement plan (Advantage 65) to which a dental/vision rider may be attached. This coverage also currently provides an outpatient prescription drug benefit which will be transitioned to meet the requirements of Medicare Part D effective January 1, 2006.

### 1.4 Policy Regarding Participation of Small, Women, and Minority Owned Businesses

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in state procurement activities. The Commonwealth encourages contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required. By submitting a proposal, offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

All information requested by this RFP on the ownership, utilization, and planned involvement of small businesses, women owned businesses, and minority owned businesses must be submitted. If an offeror fails to submit all information requested, the purchasing agency will require prompt submission of missing information after the receipt of vendor proposals in order for a non-compliance proposal to be considered.

### 1.5 Appendices

Appendix 1 is the current standard contract.

## 2.0 Program Requirements

- 2.1 The Commonwealth of Virginia is seeking proposals for the following services:
- 2.1.a Identification of current participants who are eligible for Medicare, should have Medicare as their primary coverage, but have failed to report Medicare eligibility—Offerors should be able to coordinate retraction of all primary payments made in error and filing of appropriate secondary claims per program provisions.
  - 2.1.b Going forward, immediate identification of eligibility for Medicare for participants who should have Medicare as their primary coverage--Offerors should be able to provide immediate notification to the Program to move Medicare primary participants, including dependents, out of the full-coverage plan and into the Medicare supplement without incurring primary claims expense in error. This would also include terminating Extended Coverage/COBRA participants due to their eligibility for Medicare after Extended Coverage/COBRA election and tracking of Medicare eligibility due to Social Security disability. This would need to be accomplished based on coordinating the Medicare identification number with a system-generated (non-Social Security Number) identification number assigned by the state.
  - 2.1.c Administration of responses to IRS/SSA/CMS Data Match--Offerors should be able to respond to all data match requests on behalf of state agencies.
  - 2.1.d Assist Medicare beneficiaries who have failed to enroll in or declined Part B or D coverage—Offerors should be able to assist participants with a Disability Special Enrollment, thereby eliminating or reducing any premium surcharge/penalty and allowing for filing of claims for primary Medicare coverage.
  - 2.1.e Administration of Medicare Secondary Payer disputes--Offerors should be able to respond to Medicare Secondary Payer Demand Letters, Intents to Refer to the Department of Treasury and subsequent collection activities on behalf of state agencies.
- 2.2 Reporting Requirements
- 2.2.a Medicare Eligibility – Monthly report of participants eligible for primary coverage by Medicare
  - 2.2.b Claims Dollars Recovered – Monthly report of primary payments retracted, secondary claims filed and net savings
  - 2.2.c IRS/SSA/CMS Data Match Summary – Monthly report of data match questionnaires completed per state agency
  - 2.2.d MSP Summary – Monthly report of MSP open cases, including final resolution and any payment required

## 2.2.e Annual Summary of all Reporting Criteria

### 3.0 DELIVERABLES

- 3.1 Utilization of Small Businesses and Businesses Owned by Women and Minorities. See Exhibit ONE for the format of this report. This **must** be returned with all proposals

### 4.0 PROCUREMENT PROCEDURES

#### 4.1 Method of Award

- 4.1.a The Department shall select two or more Offerors deemed to be fully qualified and best suited among those Offerors submitting proposals, unless the Department has made a determination in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration. The selection of Offerors will be based on the evaluation factors included in this RFP. Negotiations shall be conducted with the selected Offeror(s). Price shall be considered when selecting finalists for negotiation, but shall not be the sole determining factor.
- 4.1.b After negotiations have been conducted with each selected Offeror, the Department shall select the Offeror which, in its opinion, has made the best proposal. The Department shall award the contract to that Offeror. The Department may cancel this RFP, or reject proposals at any time prior to an award. The Department is not required to furnish a statement of the reason why a particular Offeror was not deemed to have made the best proposal (Section 2.2-4359, Code of Virginia).
- 4.1.c. Should the Department determine in writing, and in its sole discretion, that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.
- 4.1.d. The contract will incorporate by reference all the requirements, terms and conditions of this RFP and the Contractor's proposal, except as either or both may be amended through negotiation. All statements and representations, written or verbal, relating to the award of this and renewal contracts must be construed to be consistent with the following.

#### 4.2 Submission of Written Proposals

- 4.2.a All proposals must be in the form requested. The data required on the schedules submitted in response to this RFP are subject to verification. Material errors shall be a basis for rejecting such a proposal. An original and five copies shall be delivered in a sealed envelope, and labeled as a proposal, with the words "**Do Not Open**" and **Medicare Eligibility**

**Determination Services** prominently displayed on the face of the envelope. Proposals must be received no later than 2:00 p.m. on January 5, 2006 by:

Mr. William G. Gregory  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219

Each copy of the proposal should be bound in a loose-leaf notebook. All documentation submitted with the proposal should be contained in that single volume. (If necessary, additional notebooks may be submitted in clearly marked and referenced sequence.)

- 4.2.b Ownership of all data, materials and documentation originated and prepared for the Department pursuant to the RFP shall belong exclusively to the Department and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of Section 2.2-4342 of the Code of Virginia, in writing, at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified as required and must indicate only the specific words, figures, or paragraphs which constitute trade secrets or proprietary information. The Department, in its sole discretion, may not consider proposals with unduly broad requests for protection against disclosure.

#### 4.3 Modification of Proposals

Any changes, amendments or modifications of an offeror's proposal prior to the deadline for receipt of proposals must be in writing and submitted in the same manner as the original proposals. All modifications must be labeled conspicuously as a change, amendment, or modification of the previously submitted proposal. Changes, amendments, or modifications of proposals will not be considered after the deadline for receipt of proposals, except when the Department requests modifications.

#### 4.4 Oral Presentation

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Department. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Department will schedule the time and location of these presentations. Oral presentations are an option of the Department and may or may not be conducted.

#### 4.5 Inquiries Concerning the RFP

Any communication concerning this RFP or any resulting contracts must be addressed in writing to:

Mr. William G. Gregory  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219  
Fax Number: (804) 225-2790  
E-mail Address: bill.gregory@dhrm.virginia.gov

#### 4.6 Public Inspection of Procurement Records

Proposals will be subject to public inspection only in accordance with Section 2.2-4342 of the Code of Virginia.

#### 4.7 Clarification Of Proposal Information

The Department reserves the right to request verification, validation or clarification of any information contained in any of the proposals. This clarification may include checking references and securing other data from outside sources, as well as from the offeror.

#### 4.8 Reference To Other Materials

The offeror cannot compel the Department to consider any information except that which is contained in its proposal, or which is offered in response to a request from the Department. The offeror should rely solely on its proposal. The Department, however, reserves the right, in its sole discretion, to take into consideration its prior experience with offerors and information gained from other sources.

#### 4.9 Optional Pre-Proposal Conference

An optional pre-proposal conference will be held at 10:00 a.m. on Wednesday, December 21, 2005, in the James Monroe Building, Conference Room B 1<sup>st</sup> Floor, 101 North 14th Street, Richmond, Virginia. The purpose of this conference is to allow potential offerors an opportunity to present questions and to obtain clarification relative to any facet of this procurement.

Attendance at the conference will be documented by the representative's signature on the attendance roster.

**It is requested that any known questions regarding the RFP be forwarded to William G. Gregory prior to date of conference to facilitate the conference. See Fax number and E-mail address in paragraph 4.5.**

Offerors should bring a copy of this RFP to the conference. Any changes, which result from this conference, will be issued in a written addendum to the RFP.

#### 4.10 Timetable

RFP Published	December 12, 2005
Optional Pre-Proposal Conference	December 21, 2005
Proposals Due: 2:00 P.M.	January 5, 2006
Notice of Intent to Award	January 20, 2006

#### 5.0 FORM OF RESPONSE AND CRITERIA

##### 5.1 General

Each proposal shall be in the form of a loose-leaf binder, tabbed to point to each section below. Before the first tab, place the executed RFP Cover Sheet followed by a statement defining those sections of your proposal which may not be released because they are proprietary. Each page so designated shall also be marked "Confidential: Proprietary Information," and, if not so marked, shall not be protected.

An original proposal and six copies are required. The original shall contain a Cover Sheet bearing an original signature signed in BLUE ink and be labeled on the cover as "Original".

##### 5.2 Organizational Questionnaire (Tab 3)

Exhibit two contains a questionnaire to be completed by each Offeror, which, must be submitted along with its latest certified audit report.

##### 5.3 Cost Proposal (Tab 4)

See Section IV of the Organizational Questionnaire

##### 5.4 Participation of Small, Women, and Minority Owned Businesses (Tab 5)

Complete the information required on Exhibit ONE.

##### 5.5 Criteria for Evaluation

Proposals will be evaluated on five criteria: offeror's organization and financial stability (20); communication material and services (15); administrative capability (30); Cost (30); and small, women owned, and minority business (5).

#### 6.0 GENERAL TERMS AND CONDITIONS

## 6.1 Vendor's Manual

This solicitation is subject to the provisions of the Commonwealth of Virginia Vendor's Manual and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the Department's office on the 13th floor of the James Monroe Building. In addition, a copy can be obtained from the Department of General Services' Division of Purchases and Supply by calling (804) 786-3842.

## 6.2 Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state, and local laws, rules, and regulations.

## 6.3 Anti-Discrimination

By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act, and Section 11-51 of the Virginia Public Procurement Act.

In every contract over \$10,000 the provisions in 1 and 2 below apply:

6.3.1 During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- c. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting these requirements.

6.3.2. The contractor will include the provisions of 1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

## 6.4 Ethics In Public Contracting

By submitting their proposals, offerors certify (1) that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor in connection with their proposal, and (2) that they have not conferred on or promised, any public employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, unless consideration of substantially equal or greater value was exchanged.

#### 6.5 Immigration Reform and Control Act of 1986

By submitting their proposals, offerors certify that they do not and will not, during the performance of this contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

#### 6.6 Debarment Status

By submitting their proposals, offerors certify that the Commonwealth of Virginia does not currently debar them from submitting proposals for the type of goods or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

#### 6.7 Antitrust

By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title, and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

#### 6.8 Mandatory Use of State Form and Terms and Conditions

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

#### 6.9 Clarification of Terms

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact William G. Gregory no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the Department.

#### 6.10 Payment

##### 6.10.1 To Prime Contractor:

- 6.10.1.a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payments address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- 6.10.1.b. Any payment terms requiring payments in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- 6.10.1.c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- 6.10.1.d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

#### 6.10.2 To Subcontractors:

- 6.10.2.a. A contractor awarded a contract under this solicitation is hereby obligated:
  - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
  - (2) To notify the agency and the subcontractor(s) in writing, of the contractor's intention to withhold payment and the reason.
- 6.10.2.b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) day following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

#### 6.11 Precedence of Terms

Paragraphs 6.1 - 6.10 of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

#### 6.12 Qualifications of Offerors

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

#### 6.13 Testing and Inspection

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure supplies and services conform to the specification.

#### 6.14 Assignment of Contract

A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

#### 6.15 Changes to the Contract

Changes can be made to the contract in any one of the following ways:

6.15.a The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

6.15.b The Department may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to such things as services to be performed, the method of packing or shipment and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Department a credit for any savings. Said compensation shall be determined by one of the following methods:

6.15.c. By mutual agreement between the parties in writing; or

6.15.d. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the

number of units of work performed, subject to the Department's right to audit the contractor's records and/or to determine the correct number of units independently; or

6.15.e. By ordering the contractor to proceed with the work and to keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Department with all vouchers and records of expenses incurred and savings realized. The Department shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Department within thirty (30) days from the date of receipt of the written order from the Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall resolve in accordance with the procedures for resolving disputes provided by the Disputes Clause (paragraph 8.8) of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia's Vendor's Manual. Neither the existence of claim or a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Department or with the performance of the contract generally.

#### 6.16 Default

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

#### 6.17 INSURANCE

By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

##### INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits.
2. Employers Liability - \$100,000.
3. Commercial General Liability - \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or

Owner's and Contractor's Protective Liability. The Commonwealth of Virginia must be named as an additional insured with respect to the services being procured.

#### 6.18 ANNOUNCEMENT OF AWARD

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the Agency's web site, [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov), for a minimum of 10 days.

#### 6.19 DRUG FREE WORK PLACE

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

#### 6.20 NONDISCRIMINATION OF CONTRACTORS

A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, or disability or against faith-based organizations. If the award of this contract is made to a faith-based organization and an individual, who applies for or received goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

#### 6.21 eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION

The eVA Internet electronic procurement solution, web site portal [www.eva.state.va.us](http://www.eva.state.va.us), streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service, and complete the Ariba Commerce Services Network registration.

- a. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding, as they become available.
- b. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.
- c. Ariba Commerce Services Network Registration. The Ariba Commerce Services Network (ACSN) registration is required and provides the tool used to transmit information electronically between state agencies and vendors. There is no additional fee for this service.

**Note: Vendors are strongly encouraged to register your company prior to submitting a bid or offer. Failure to register will result in your bid or offer being found non-responsive and rejected. All vendors must register in both the eVA and the Ariba Commerce Services Network Vendor Registration Systems.**

## 7.0 SPECIAL TERMS AND CONDITIONS

### 7.1 Advertising

In the event a contract is awarded as a result of this RFP, the contractor shall not advertise that the Commonwealth of Virginia, or any agency or institution of the Commonwealth, has purchased, or uses its products or services.

### 7.3 Audits

The contractor shall assist the Department and the Department's auditors, who may be employees of the Department, employees of other contractors, or agents of the Department, in the conduct of audits. This assistance shall include the provision of secure, quiet office space, including furnishings and telephones needed by the auditors.

The contractor agrees to retain all books, records, and other documents relative to the contract which results from this RFP for five (5) years after final payment, or until the conclusion of any audit by the Commonwealth, whichever is sooner. The Department, its authorized agents, and state auditors, shall have full access to, and the right to examine, any of the contractor's materials relevant to the contract which results from this RFP.

#### 7.4 Certified Corporate Annual Reports

Within 120 days of the close of its fiscal year, the contractor shall furnish to the Department an annual report of its consolidated operations. An independent auditor shall certify this report.

#### 7.5 Confidentiality of Information

The contractor shall treat all information utilized in its performance of the contract as confidential, personal information. The contractor shall handle all confidential information in accordance with the Virginia Privacy Protection Act, Virginia Code Section 2.1-377 et seq. All files, computer databases and other records developed or maintained pursuant to the execution of the contract are the property of the Department, and shall be delivered to the Department upon demand.

#### 7.6 Contract Representatives

Both the Department and the Contractor shall appoint a contract representative who shall ensure that the provisions of this contract are adhered to. The Department hereby appoints the State Procurement Specialist. Currently the position is held by Mr. William G. Gregory. His e-mail Address is [bill.gregory@dhrm.virginia.gov](mailto:bill.gregory@dhrm.virginia.gov)

The contractor shall provide the full name and address of their contract representative including telephone and fax number. In the event of a change in contract representatives, an official written notice shall be provided within 15 days of the change.

#### 7.7 Contractor Affiliation

If an affiliate (as defined below in this paragraph) of the contractor takes any action which, if taken by the contractor, would constitute a breach of the contract, the action taken by the affiliate shall be deemed a breach by the contractor. "Affiliate" shall mean a "parent," subsidiary or other company controlling, controlled by, or in common control with the contractor, subcontractor or agents of the contractor.

#### 7.8 Disputes

In accordance with section 2.2-4363 of the Code of Virginia, disputes arising out of the contract, whether for money or other relief, may be submitted by the contractor for consideration by the Department. Disputes must be submitted in writing, with all necessary data and information, to the Director of the Department of Human Resource Management at the James Monroe Building, 12th Floor, 101 North 14th Street, Richmond, Virginia 23219. Disputes will not be considered if submitted later than sixty (60) days after the final payment is made by the Department under the contract. Further, no claim may be submitted unless written notice of the contractor's intention to file the dispute has been submitted at the time of the occurrence or at the beginning of the work upon which the dispute is based. The Department shall render a final written decision regarding the dispute not more than ninety (90) days after the dispute is submitted, unless the parties agree to an extension of time. If the Department does not render its

decision within 90 days, the contractor's sole remedy will be to institute legal action, pursuant to section 2.2-4364 of the Code of Virginia. The Contractor shall not be granted relief as a result of any delay in the Department's decision.

During the time that the parties are attempting to resolve any dispute, each party shall proceed diligently to perform its duties.

#### 7.9 Force Majeure

Neither party shall be deemed to be in default of any of its obligations hereunder, if, and so long as, it is prevented from performing such obligations by an act of war, hostile foreign action, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

#### 7.10 Indemnification

The contractor agrees to indemnify, defend, and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages, and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the Department.

#### 7.11 Severability

In the event any portion of the contract shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed void and the remainder of the contract shall continue in full force and effect.

#### 7.12 Subcontracting

The contractor is fully responsible for all work performed under the contract. The contractor may not assign, transfer, or subcontract any interest in the contract, without prior written approval of the Department. The contractor shall require all subcontractors to comply with all provisions of this RFP. The contractor will be held liable for contract compliance for all duties and functions whether performed by the contractor or any subcontractor.

#### 7.13 Term and Renewal of Contract

The term of this contract is two years beginning February 1, 2006 through January 31, 2008 with three one-year renewal options.

This contract may be renewed by the Commonwealth for three successive one-year periods under the terms and conditions of the original contract except as stated in 1 and 2 below. **Price increases may be negotiated only at the time of renewal.** Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

1. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price for the additional one year shall

not exceed the contract price of the original increased/decreased by more than the percentage increase/decrease of the services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

2. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price for the subsequent renewal period shall not exceed the contract price of the previous renewal period increased/decreased by more than the percentage increased/decreased of the services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

#### 7.14 Termination, Suspension and Cancellation of Contract

Either party may terminate this contract for its sole convenience effective February 1 of any year by delivery of written notice at least nine months prior to the effective date of cancellation, that is, by the previous May 1st.

Furthermore, in the event of emergency requirements which could not have reasonably been foreseen, the Department reserves the right to cancel and terminate this contract, in part or in whole without penalty, upon 60 days written notice to the contractor.

Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

#### 7.15 Transfer of Files

If for any reason the Department decides to no longer contract with the contractor, the contractor agrees to transfer to the party designated by the Department, at no cost, all data, records, computer files, other files, and materials of any sort that were maintained for the Commonwealth. The contractor agrees to assist the Department in understanding, using, and transferring all files and records, including those maintained in computer language.

## **EXHIBITS**

**ONE            SMALL BUSINESS AND BUSINESS OWNED BY WOMEN AND  
MINORITIES**

**TWO            ORGANIZATIONAL QUESTIONNAIRE**

## EXHIBIT ONE

### PARTICIPATION IN STATE PROCUREMENT TRANSACTIONS

#### BY

#### SMALL BUSINESSES AND BUSINESSES OWNED BY WOMEN AND MINORITIES

The following definitions will be used in completing the information required by one or more of the three categories of businesses contained in this Appendix as applicable to your firm: (1) Participation by Small Businesses; (2) Participation by Businesses Owned by Women; and (3) Participation by Businesses Owned by Minorities.

#### DEFINITIONS

**Period** is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

**Firm Name, Address and Phone Number** is the name, address and business phone number of the small business, women-owned business or minority-owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this contract, as applicable.

**Contact Person** is the name of the individual in the specified small business, women owned business or minority-owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

**Type Goods or Services** is the specific goods or services the Offeror has contracted for from the specified small, women-owned or minority-owned business over the specified period of time or plans to use in the performance of this contract, as applicable. The Offeror will asterisk (\*) those goods and services that are in the Offeror's primary business or industry.

**Dollar Amount** is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this contract, as applicable.

**% Total Company Expenditures for Goods and Services** is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

**% of Total Contract** is calculated by dividing the estimated dollars planned for the indicated firm on this contract by the total Offeror estimated price of this contract.







**2. PARTICIPATION BY BUSINESSES OWNED BY WOMEN**

(Continued)

- C. Describe Offeror's plans to involve businesses owned by women in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

<b>FIRM NAME, ADDRESS &amp; PHONE NUMBER</b>	<b>CONTACT PERSON</b>	<b>TYPE GOODS/ SERVICES</b>	<b>DOLLAR AMOUNTS</b>	<b>% TOTAL CONTRACT</b>



**3. PARTICIPATION BY BUSINESSES OWNED BY MINORITIES**

(Continued)

- C. Describe Offeror's plans to involve minority businesses in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

<b>FIRM NAME, ADDRESS &amp; PHONE NUMBER</b>	<b>CONTACT PERSON</b>	<b>TYPE GOODS/ SERVICES</b>	<b>DOLLAR AMOUNTS</b>	<b>% OF TOTAL CONTACT</b>

## EXHIBIT TWO

### ORGANIZATIONAL QUESTIONNAIRE

#### **General**

1. The RFP describes Tasks, including the Benefit Specifications, (Section 2.0 Items) and Deliverables (Section 3.0). Under the appropriate evaluation section below, you will be requested to affirm that you will fully comply and meet these specifications as stated. Be advised that failure to identify any deviation in response to the appropriate question constitutes a representation on the offeror's part that the specifications will be met precisely as written. **Your response must also contain any exceptions** and the reasons thereof. **The absence of exceptions shall constitute a representation that the offeror will provide services and reports exactly as requested by the Department. The absence of an implementation plan constitutes a representation that the offeror is capable of providing the services and reports exactly as requested as of the day the proposal is submitted.** In the space below, please acknowledge that you understand and have complied with this requirement.

#### **I. Organization and Financial Stability (20 points)**

This section asks offerors to provide a brief background of your organization.

1. Identify the type of Medicare Eligibility Determination Services (MEDS) plan you propose.
2. Briefly describe the history of your organization and identify any parent organizational ties, if applicable. Identify the office(s) or division that would be used to service this contract and its address.
3. Identify the number of customers serviced in the Commonwealth of Virginia as of January 1, 2005.
4. Submit evidence of appropriate liability insurance protection.
5. Has your firm ever been the subject of a complaint concerning your MEDS product that was filed with the State Corporation Commission of any state? Describe the nature of each complaint and the present status.
6. As requested in RFP, Section 6.4, please submit a copy of your most recent audited financial statements (balance sheet, income statement and flow of funds) in Tab 3 of your response.
7. Please indicate any recent or anticipated changes in the offeror's corporate structure, such as mergers, acquisition, new venture capital, stock issue, etc.
8. Please include three current client references for whom you provide similar MEDS to those requested in this RFP, preferably public entities, as well as two former client references for whom you previously provided similar MEDS. (The latter should not represent lost clients due to merger or other neutral causes.) Include the name of a contact person, phone number, address, and indication of the services currently (or previously provided) and the number of employees (or members) currently covered under the contract.
9. If applicable, please indicate the number of years your organization has been operational in providing MEDS in the Commonwealth.

If any of the above material is lengthy, you may provide it as a clearly referenced attachment. However, you must respond briefly here to each item.

## **II. Communication Materials and Services (15 points)**

1. Provide samples of the following items that you would plan to use with this contract:
  - a. Communication/educational materials to be used in communicating this program to the Commonwealth's eligibles.
  - b. Communications to beneficiary regarding a potential discrepancy.
  - c. Communications with employer representatives regarding an identified discrepancy.
  - d. Notices.
2. Provide a document detailing the implementation schedule between the date of award and the effective date of the MEDS program. This document should provide the critical steps (with completion dates) and requirements on the part of the contractor and/or the Department.
3. Will an 800 number be provided for use of beneficiaries and employer representatives? If so, when would it be available?

## **III. Administrative Capabilities (30 points)**

This section asks offerors to identify the staff personnel and qualifications for the personnel who will be assigned to this account.

Identify the accountable senior person (including title, office location, phone number, and number of years of experience in this position) who will be responsible for managing the relationship with the contractor, including these negotiations.

Submit an organizational chart that will identify key management personnel (i.e., those who will directly support this contract), their dedicated time allocation to this contract, the office locations responsible for managing the various duties associated with fulfilling all of the provisions of this contract, and the number of years of experience in handling contracts similar in scope to the Commonwealth's.

- a. If in the foreseeable future there is a reasonable chance that any of these individuals will be reassigned, retire, or otherwise be unavailable to fulfill the duties described herein, please identify the replacement(s). Also, provide all of the requested information about any such individual.
- b. Provide, as an attachment to your chart, resumes for these individuals. Resumes should clearly identify the number of years performing directly related activities and reference current, similarly situated customers.

This section asks offerors to describe their administrative/systems capabilities and to affirm standards of performance identified in RFP Section 2.

Affirm that you can meet the entire task requirements identified in Section 2.0: Deliverables in Section 3.0; and the *Special Terms and Conditions* in Section 7.0. For each paragraph in section 2, provide a brief description of how your firm will perform the required task.

Provide a brief summary below, and complete descriptions as supplemental exhibits, of the following administrative processes and systems. Carefully annotate which processes are automated and which are manual and where the systems/people interfaces occur:

- a. **Member Services:** Describe your processes and controls in providing member services (by phone, letter in person and/or on-line). Include the functions of (1) inquiries on benefits; and (2) handling administrative/service issues, and/or claim appeals.
- b. **Systems Development:** Provide the implementation date of the most recent substantive changes to your administration systems. If a future change is contemplated between this date

#### **IV. Cost (30 points)**

This section asks offerors to identify the cost associated with their firm performing the required tasks. A potential breakdown of costs is provided below. Provide the costs that apply to each line for year one and year two of the contract. Add any categories that have not been provided.

- Total implementation costs
- Cost per participant for identification of current Medicare-eligibles
- Cost per participant for identification of Medicare-eligibles on an on-going basis
- Costs for recovery of primary claim payments made in error
- Costs per participant for Medicare Part B or D enrollments, including Disability Special Enrollments
- Cost per request for processing of Data Match inquiries
- Cost per participant for processing of Medicare Secondary Payer Demand Letters, Department of Treasury demands, and collection agency payment coupons
- Other applicable administrative costs

### **Appendix 1**

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

STANDARD CONTRACT

This contract is entered into this \_\_\_\_\_, 2005, by \_\_\_\_\_, hereinafter called "Contractor" and the Commonwealth of Virginia, Department of Human Resource Management, hereinafter called "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF SERVICES: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF CONTRACT:

COMPENSATION AND METHOD OF PAYMENT: The Contractor shall be paid monthly according to the terms of its accepted proposal.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed Contract; the Request for Proposals: proposal submitted by the Contractor dated \_\_\_\_\_, \_\_\_\_\_; the general conditions, special conditions, specifications, and other data contained in the Request for Proposals.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in the Request for Proposals.

In witness whereof, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:

PURCHASING AGENCY:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form: \_\_\_\_\_  
Office of the Attorney General

