

Request for Proposal Number K521
for
Health Benefits (Insurance) Exchange
Systems Integrator Services



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SECTION 1

1 Introduction

1.1 Purpose of Solicitation

The Washington State Health Care Authority (“Authority” or “HCA”) is initiating this Request for Proposals (RFP) to solicit proposals from qualified vendors to provide development, implementation and hosting services to implement the Washington Health Benefits (Insurance) Exchange by December 2013. The Exchange solution must be a web-based solution hosted at a secure location in the United States proposed by the Vendor. The selected vendor will provide the following:

- A hosting solution meeting the requirements of the Exchange in terms of hardware, software, network, and infrastructure services
- An integrated Exchange solution based on a single Exchange portal encompassing the system capabilities to support Individual Eligibility and Enrollment, Plan Management, Financial Management, and Small Business Health Options Program (SHOP);
- Operations and Maintenance of the Exchange for one year; with provisions for extensions.

The solution being sought through this RFP competitive solicitation may consist of one or more commercial off the shelf (COTS) software product(s) or a custom-developed software offering or a combination.

The initial contract will be for design, development, and implementation of the Exchange Solution by December 2013 followed by a six month warranty period and then one year of Operations and Maintenance support with the option to extend the initial contract for an additional six years.

The proposal will include the following pricing elements:

- Detailed fixed priced costs for the development, verification, certification and deployment of all Exchange technical and functional components.
- Detailed fixed price costs for the operations and maintenance of the Exchange systems for the initial year.

The Exchange Portal provided by the vendor will use the State Eligibility Service offered by the state’s Automated Client Eligibility System (ACES), Washington State Eligibility System, to determine eligibility for Medicaid, CHIP and Tax Credits. Details of the integration between the Exchange Portal and the State Eligibility Service and the boundaries for each system/service are further defined in Appendix P-Eligibility Service Requirements of the RFP.

As a contingency, in the event that the State Eligibility Service will not be available or the State decides to have the Exchange Vendor build out the State Eligibility Service, each proposing vendor is required to prepare a response in terms of how the requirements of the State Eligibility Service as described in Appendix P can be met.

Not included within the scope of this RFP are: third party administration of risk leveling functions, customer support and call center, and program operations staff of any kind outside the Operations and Maintenance of the Exchange solution.

Appendix C of this RFP, along with the Exchange Business Process Models and their supporting documents provide information regarding the Exchange business functions. Appendix D, the Technical Reference Model and the Security Blueprint, along with their supporting documents, provide insight regarding the technology services required for the Exchange.

1.2 Background

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act. 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 (ACA). The ACA creates an opportunity to reform the health insurance marketplace in order to provide all Americans with quality, affordable health insurance coverage. A primary feature of the new law is the requirement that all states establish a Health Benefit Exchange (Exchange). In essence, the Exchange is an organized marketplace to help consumers and small businesses buy health insurance in a way that permits easy comparison of available plan options based on price, benefits, and quality. By pooling people together, reducing transaction costs, and increasing price and quality transparency, Health Benefit Exchanges create more efficient and competitive health insurance markets to facilitate the offer of “qualified health plans” for individuals and small employers.

While ACA provides states with significant latitude in how reform is ultimately implemented, it also sets forth expectations around consumer-mediated enrollment processes, systems architecture and security, coordination amongst Medicaid, Children’s Health Insurance Program (CHIP) and Health Benefits Exchanges and Plans, sharing of IT assets among states, and more. The guidance contained in ACA ultimately sets the foundational layer of requirements for states. For instance, as required by the ACA, the core functions of an Exchange include the following items, not all of which are included in the requirements for this RFP:

- Certification, recertification, and decertification of qualified health plans
- Call center
- Exchange website
- Premium tax credit and cost-sharing reduction calculator
- Quality rating system
- Navigator program
- Eligibility determinations for Exchange participation, advance payment of premium tax credits, cost-sharing reductions, and Medicaid
- Seamless eligibility and enrollment process with Medicaid and other State health subsidy programs
- Enrollment process
- Applications and notices
- Individual responsibility determinations
- Administration of premium tax credits and cost-sharing reductions
- Adjudication of appeals of eligibility determinations
- Notification and appeals of employer liability
- Information reporting to IRS and enrollees
- Outreach and education
- Free Choice Vouchers
- Risk adjustment and transitional reinsurance
- SHOP Exchange-specific functions

Under ACA, Washington is required to establish an operational Exchange to offer qualified health insurance plans to individuals and small businesses by January 1, 2014. Once implemented, Washington anticipates that the Exchange will serve 160,000 – 440,000 individual and group customers in 2014, consisting of 140,000 – 410,000 individuals in the non-group market and 20,000 – 30,000 employees of small businesses. Furthermore, the Exchange will support an estimated additional 180,000 - 190,000

new Medicaid customers. In order to meet the Department of Health and Human Services “readiness determination” deadline of January 1, 2013 and the Exchange “go-live” deadline of January 1, 2014, the Authority is focusing on three key areas:

- Analyzing the current Washington health care infrastructure, translating the federal requirements to the state’s circumstances, and developing a strategy;
- Operations support founded on this strategy to provide the technology and program management support that will implement an effective Exchange addressing governance, eligibility determination, linkage to other major subsidized programs, customer support and educational outreach;
- Continuously evaluating program processes and outcomes to ensure that the technology/operational components of the Exchange and supporting systems are developed and deployed in an optimal manner, protecting consumer rights, and reviewing health plan and provider decisions for compliance with both federal and state requirements.

ACA establishes health insurance exchanges which are markets for individuals and small businesses to easily navigate the health care system and provides “one stop shopping” to assist consumers in their selection and purchase of health care. Health insurance exchanges may be run by states or by the federal government and must be operational by January 2014. Washington State SB 5445 established the intent of the State of Washington to establish and implement an Exchange.

To help leverage more efficient health care purchasing, and to address key priorities above, Washington merged two key agencies; the Washington State Health Care Authority (which managed the state’s Public Employee Benefits Program, including managing health insurance plans) and the Medicaid Purchasing Administration (which managed Washington’s Medicaid and medical assistance programs). Simultaneously, in Spring 2011, the Authority applied for and received a State Health Exchange Grant for planning an Exchange in Washington State. Authorizing legislation was also passed in 2011 ([SSB 5445](#)), which establishes the exchange as a “public private partnership separate and distinct from the state”. The exchange will be established with a Board of Directors by March 15, 2012, so proposing vendors need to be aware of the transition of responsibility from HCA to the exchange in this timeframe. The grant was used to identify and document key business functions and policy decisions of a state-based Exchange. As part of the analysis of the information technology infrastructure necessary to support a state-based Exchange, the State conducted a detailed Information Technology Gap Analysis for the Health Benefit Exchange. The IT Infrastructure review and assessment report developed a high level understanding of the requirements of the Exchange and reviewed the State’s current Medicaid technology investments and architecture. This included assessments of systems that could have potentially been leveraged for the new solution, such as:

- **Automated Client Eligibility System (ACES).** Legacy eligibility system that supports eligibility determination for a large number of programs including cash, medical, and food assistance. *(Operated by Department of Social and Health Services)*
- **Washington Connection.** Statewide portal for self screening, application submission, renew benefits and report changes for Temporary Assistance for Needy Families (TANF), Supplemental Nutritional Assistance Program (SNAP), Medicaid and other medical programs. *(Operated by a collaboration between state, federal, local and community based organizations)*
- **ProviderOne.** The state’s Medicaid managed information system (MMIS) used for claims processing and as a provider payment system. *(Operated by Health Care Authority).*

The assessment also developed a to-be architecture to support the Exchange, identified gaps in the Infrastructure needed to support the Exchange, assessed capacity requirements of new and existing

technology required for the Exchange, evaluated alternatives to meet the Exchange requirements, and provided a final Infrastructure Assessment that provided options for the State to consider and make a final decision. The Infrastructure Assessment can be found on the Authority website at <http://www.hca.wa.gov/hcr/exchange.html>.

Following the technology assessment, the Authority initiated this “Washington State Health Benefit Exchange Project” to develop and implement an integrated technical solution. Thus, the Authority is seeking proposals from qualified vendors to provide development, implementation and hosting services for the Exchange solution.

1.2.1 Solution Overview and Scope

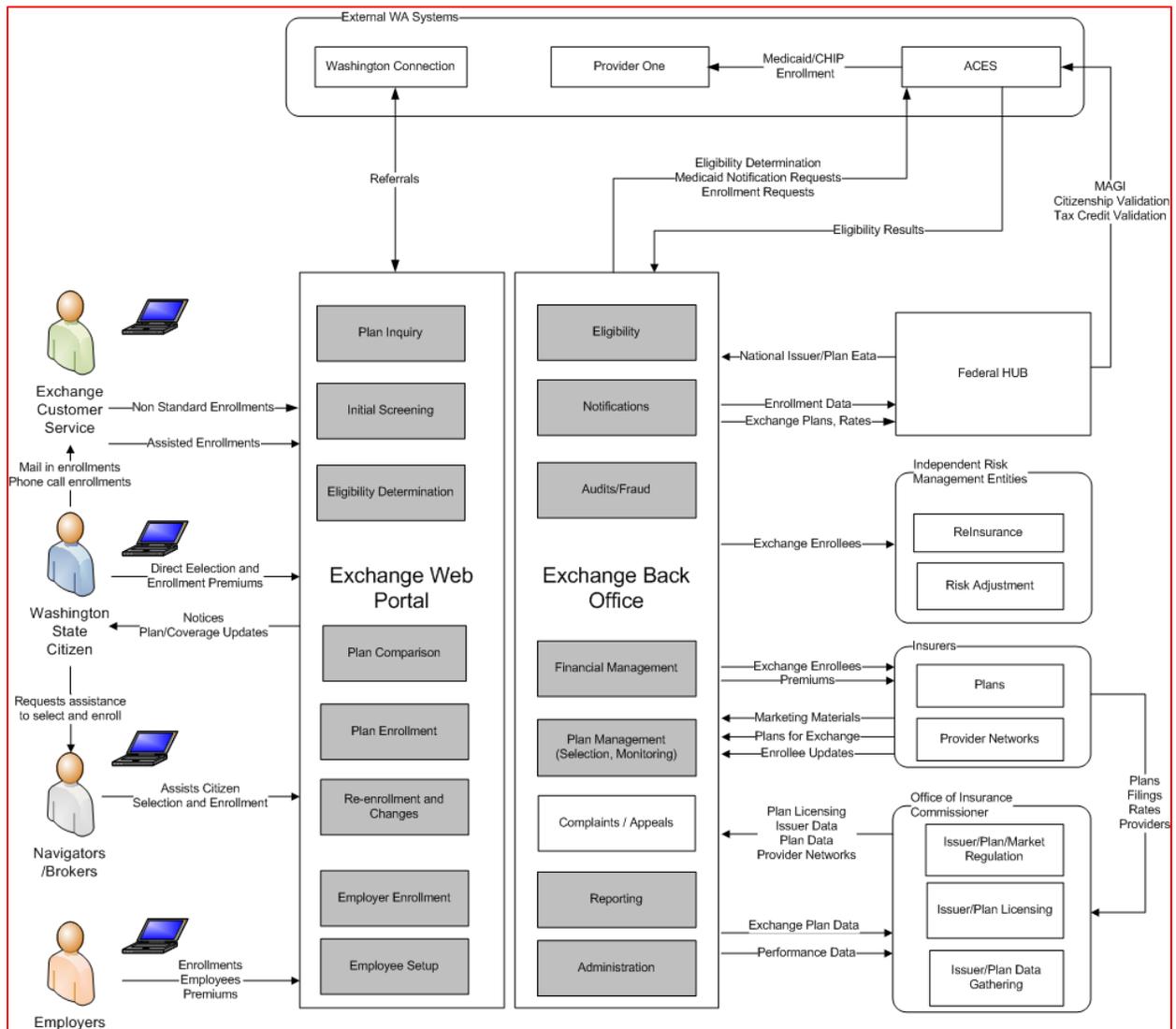
The vision for the new Exchange is a custom web-based portal solution that must be accessible by external Exchange customers and stakeholders, integrated with back office functionality to support Exchange staff, processing, and communication to the CMS Federal Data Services Hub (CMS Hub) which includes:

- An **intuitive web portal** through which residents can access subsidized and unsubsidized health insurance, including public insurance programs (e.g. Medicaid and CHIP), including:
 - Individual enrollment and plan selection
 - Small Business Health Options Program (SHOP) portal supporting plan selection and enrollment for small employers and their employees in qualified SHOP health plans
- **A consumer focus** - the portal will streamline health plan selection, offer real-time eligibility determination, and facilitate enrollment. Consumers must be able to, in a streamlined, single session, enter required information, receive an eligibility determination, compare insurance plans, select a plan and complete the enrollment transaction.
- **Automated interaction with stakeholders** - it is anticipated that Issuers, Navigators, third party administrators, Centers for Medicare and Medicaid Services (CMS), and the Office of Insurance Commissioner (OIC) will interact with the Exchange web portal and/or through data exchanges wherever possible to avoid manual transactions and re-keying information.
- **Integration with existing system** – it is the Authority’s intent to utilize the existing ACES solution as an eligibility determination and notification services for the Exchange for Medicaid, tax credit and cost sharing eligibility functions. ACES will also continue performing notifications to ProviderOne for Medicaid and CHIP enrollments. The Exchange web portal must integrate with ACES to perform the services needed for the Exchange.
- **Back office** functions including:
 - Integration with a state eligibility service (provided by ACES) to determine eligibility for Medicaid /CHIP/Basic Health / Tax Credits
 - System components to facilitate enrollments into qualified health plans
 - System components to certify and manage insurance issuer, health plan and provider data
 - Financial management components (billing, receivables, general and subsidiary ledgers, premium aggregation, reporting, reconciliation)
 - Reporting and business analytics capability
 - Identity and account management
 - Document/content management
 - Notifications services

- **Hosting Services** – it is expected that the production solution and all supporting environments be hosted by the successful Vendor’s recommended hosting environment.
- **Operations and Maintenance** – the Authority requests vendors to include on one year of operations and maintenance of the Exchange in their base Proposal, and to provide costs for six additional years.

Because it is expected that consumers will access the Exchange from their homes and other locations, the Exchange web portal is expected to generally be available to users in the field 24 hours a day, seven (7) days a week. The following conceptual diagram (Figure 1 below) illustrates the Authority’s concept for how the Exchange will operate. Note that the Functional Areas within the scope of the RFP are shaded in gray.

Figure 1: Washington Exchange High Level Business Process Concept



The primary functional components of the Exchange that are within the scope of this RFP are defined in Appendix C. Please refer to Appendix C sections for more information on the solution vision for each function.

- **Individual Eligibility** - The Individual Eligibility business area consists of business processes and functional requirements for application intake and screening, determining eligibility, renewing eligibility, and handling appeals (Appendix C, Section 5.3.2.1).
- **Individual Enrollment** - The Individual Enrollment business area consists of business processes and functional requirements for enrolling participants, renewing enrollment, and conducting enrollment reports (Appendix C, Section 5.3.2.2).
- **Plan Management** - The Plan Management business area consists of business processes and requirements for acquiring, certifying, monitoring, renewing, and managing the withdrawal of qualified health plans and the issuers that offer these plans(Appendix C, Section 5.3.2.3).
- **Eligibility and Enrollment – SHOP** - The SHOP business area consists of business processes and functional requirements for enrolling SHOP employers and employees, renewing enrollment, and conducting enrollment reports (Appendix C, Section 5.3.2.4).
- **Financial Management** - Financial Management includes Advance Payments of the Premium Tax Credit (APTC) and Cost Sharing Reductions (CSR), Premium Processing (SHOP and Individual), Data Collection, and Issuer Payment Transfers (including the flow of funds for payments and charges for the risk-spreading programs) (Appendix C, – Section 5.3.2.5).
- **Exchange Portal/User Experience** – The Exchange portal will provide a customer experience similar to that experienced by internet customers of top commercial service and retail companies. The user experience will be based on the design produced by the Enrollment 2014 UX Project, and will include some mobile functionality (Appendix C, Section 5.3.2.6).
- **Administrative Functions** - include Audit and Program Integrity, Reporting, Business Intelligence capabilities and Notices(Appendix C, Section 5.3.2.7).

The business process flows and narrative to be supported by the Exchange are provided by the functional area in the Business-Functional Requirements folder of the Exchange Vendor Reference Library (available at the HCA Procurement Web Site; <http://www.hca.wa.gov/rfp.html>). Note that the process flows are draft and many business and operational decisions that impact the flow of work are still under development and will be throughout 2011. Proposing vendors need to be aware that requirements, process flows and other decisions affecting the Exchange solution are still under development, pending additional guidance from CMS, the Washington State Legislature and the Washington Exchange Board. The Authority advises proposing vendors to consider potential changes in requirements during the project when identifying resources and costs for developing and implementing the Exchange.

1.2.2 Technical Environment

The Vendor must propose a solution that meets all Authority requirements and is consistent with the standards and requirements outlined in the Technical Reference Model and the Security Blueprint requirements of this RFP. The Vendor’s proposed solution must include provisioning the development, testing/verification, training, certification and production environments that will be used to develop, maintain and operate the Exchange.

The Exchange solution must be a web-based solution hosted at a secure location, in the United States, proposed by the Vendor. The Vendor also needs to provide hosting services for the Exchange development, testing/verification, training and certification environments. The vendor is required to host, maintain and operate the Exchange in production for one year. The selected Vendor will be

responsible for providing, installing and maintaining all hardware, software, network components and other infrastructure elements for the Exchange.

Vendors should note that the Exchange requires handling of Federal Tax Information (FTI), Health related data (HIPAA) and Payment Card Industry (PCI) data. The Security Blueprint document addresses some of the concerns related to the hosting and handling of these types of information.

Vendors are advised to review the Exchange Technical Reference Model (TRM) document, a key element of the enterprise architecture specification for the Exchange. The TRM and Security Blueprint documents are located in the Technology Requirements section of the Exchange Vendor Reference Library.

1.2.3 Security

The Exchange must comply with the requirements for security outlined in the Security Blueprint.

The Security Blueprint defines a complete set of management, operational and technical security controls to protect the confidentiality, integrity and availability of the Exchange functions and information. Once on board, the Vendor will work with the Exchange team to develop a detailed Security Plan for implementing and operating these controls. The Security Plan will ensure compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Payment Card Industry (PCI) Data Security Standard for payment card processing (electronic payments) and the federal tax information safeguarding requirements defined by the IRS in the Title 26 of the United States Code (U.S.C) section 6103.

The selected Vendor will be responsible for the implementation and operations of the Security Plan, which will address at a minimum all the controls defined within the Security Blueprint.

Vendors are advised to review the Security Blueprint document, a key element of the enterprise architecture specification for the Exchange. The Security Blueprint document is located in the Technology Requirements section of the Exchange Vendor Reference Library.

1.2.4 Planned Interfaces

The Exchange must have electronic interfaces to systems external to the Exchange organization. These interfaces may be file-based or real-time, depending on the Vendor's design approach, the Authority's business needs and business requirements, and the constraints and requirements of each system interfacing with the Exchange. Some examples of interfaces are as follows:

- State of Washington Agency Financial Reporting System (AFRS)
- ACES
- CMS Hub
- Office of Insurance Commissioner systems
- Insurance Company systems (Issuers)
- Washington Connection

1.2.4.1 AFRS

AFRS is the state-owned accounting system used by all state agencies and higher-education institutions in the state of Washington. AFRS is a legacy mainframe financial system that has been in production for over 25 years. The system performs all aspects of the accounting process: the general ledger, accounts receivable, accounts payable, balance sheets, etc. Accounting information is updated daily by most users of the system.

1.2.4.2 ACES

ACES will serve as the eligibility service for the Exchange, and continue handling the initiating transactions for enrollment of Medicaid and CHIP members to Provider one. As such ACES will receive the following requests from the Exchange.

- Eligibility determination requests
- Medicaid/CHIP enrollment requests
- Notice generation requests
- Requests to verify client information to the CMS Federal Data Services Hub (CMS Hub) and other State sources

The Exchange will also receive information from ACES including:

- Eligibility determination
- Record of eligibility notices provided to applicants
- Up-to-date Medicaid / CHIP managed care plan enrollment information
- Data from verification sources to add to individual accounts / data collection
- Notification of existing Medicaid / CHIP individuals whose circumstances have changed and require referral to the Exchange

It is important for bidding Vendors to note that ACES will be modified to handle these services concurrent with the Exchange development. The successful vendor will be working closely with the ACES modification team to successfully implement these interfaces and services.

ACES Profile: This system is used by the State of Washington's Department of Social and Health Services. ACES supports the operations of the department by integrating DSHS programs (including HCA/MPA Medicaid program) under a single, client-based, on-line system. The ACES system is a tool for determining eligibility, issuing benefits, management support, and sharing of data between agencies for Cash, Medicaid and Food Assistance programs. Other supporting functions of ACES include case management, generating letters and correspondence, address verification.

The ACES System was originally implemented on April 18, 1996. The system foundation was built using IBM IMS as a base and COBOL for the primary development language and runs on z/os. The system has evolved since inception, and now the legacy system is being decoupled and new functionality is being introduced under ACES Online, using technologies like Java, web services, DB2, WebSphere MQ, CICS Transaction Gateway. The new functionality being implemented takes advantage of Object Oriented Design principles, loose coupling, and separation of concerns. About 25-30% of the ACES functionality is now available using ACES Online. However, the eligibility determination function for all programs including Medicaid is in legacy COBOL code.

Going forward, to provide the eligibility service for the Exchange, ACES will implement a commercially-available business rules engine (IBM's ILOG) which will support eligibility determinations for current human services programs (e.g. TANF and SNAP) as well as the new Modified Adjusted Gross Income (MAGI)-based eligibility determinations for the Exchange. Additionally, the ACES eligibility service will also provide capability to the Exchange to query and exchange data with the CMS Hub for verification. Lastly, the ACES Eligibility Service will also generate notices to individuals and applicants as it relates to Medicaid / CHIP / Basic Health /Tax Credit eligibility determinations.

1.2.4.3 CMS Hub

The CMS Federal Data Services Hub (CMS Hub) will provide a central point of access to data services from diverse federal agencies. CMS plans to document and publish Hub integration with other federal stakeholders in the near future via a Business Architecture supplement. In general, the CMS Hub will:

Provide to the Exchange:

- Information on Issuers and Plans
- Plan Quality and silver ratings
- Validation of MAGI income and Citizenship to be provided via the ACES eligibility service

Receive from the Exchange:

- Exchange certified Issuer and Plan data
- Plan quality, performance and complaint data
- Enrollment
- Financial transactions related to tax credits, cost sharing and issuer reimbursements

Detailed requirements, data and design specifications will be provided by CMS at a future date, at which time, the interfaces with the CMS Hub can be further defined.

1.2.4.4 Office of Insurance Commissioner Systems

There are several Office of Insurance Commissioner (OIC) systems that house information about Issuers, rates, plans, provider networks and complaints. The selected vendor will work with the Exchange and the OIC to finalize a list of interfaces needed to share and receive electronic data with the OIC systems, and the type of interface. It is currently anticipated that interfaces will consist of file sharing vs. real time integration, but the vendor will assist in the final recommended approach for these interfaces.

1.2.4.5 Issuers

It is the Authority's intent to provide electronic methods for receiving data files and information from Issuers, with a priority on gathering higher volume data sets electronically (such as provider networks). The selected vendor will work with the Exchange to finalize a list of interfaces needed to share with and receive electronic data from the Issuers, and the type of interfaces required. It is currently anticipated that interfaces used between the Exchange and Issuers will consist of a combination of file sharing, data entry screens, and real time notifications. The vendor will assist in the final recommended approach for electronically interacting with and receiving data from Issuers. Information to be received from Issuers includes:

- Issuer data
- Plan benefit structure and rates
- Quality and Performance Data
- Monthly provider network updates

Information to be provided electronically to Issuers includes:

- Enrollment and disenrollment
- Aggregated premium payment and information
- Tax Credit information

1.2.4.6 Washington Connection

The Washington Connection portal is a collaborative effort between state, federal, local and community based organizations. Through this portal, the residents can easily and securely learn about and apply for available social services programs and benefits. Washington Connection has a screening tool that allows individuals/families to determine if they may qualify for benefits prior to submitting an application. Enhancements planned for 2011 include the ability to report eligibility changes and renew benefits online. The major software components of Washington Connection include WebSphere Application Server, WebSphere MQ Enterprise Service Bus, WebSphere iLog rules engine, DB2, SQL Server,

COGNOS, Infosphere server, and Tivoli Identity Management. The Washington Connection portal is based on an open architecture. This provides flexibility to integrate with other applications and or benefit providers in Washington State. Data Collected through Washington Connection is sent to ACES for eligibility determination. The portal is owned and maintained by the Washington Department of Social and Health Services, Economic Services Administration.

Interfaces between the Exchange and Washington Connection will consist of referrals.

- If a consumer provides information to Washington Connection for benefits application, and if the consumer needs health insurance from the Exchange, Washington Connection will electronically refer the consumer and provide relevant information to the Exchange.
- If a consumer provides information to the Exchange, and if additional benefits are available to the consumer through Washington Connection, the Exchange will electronically refer the consumer and provide relevant information to the Washington Connection.
- Data collected by either the WA Exchange or the WA Connection will be shared to minimize data entry and provide an integrated user experience and interoperability in terms of services coverage.

The successful vendor will work with the Washington Connection IT project team to determine the method for and implement a successful referrals process.

1.2.5 Phased Releases

The Exchange must be implemented in a series of phased releases that incrementally provide functionality to the Exchange consumers. Each release must be fully functional and provide a complete working set of features to the users. The requirements in Appendix C are organized by functional phase and describe the specific functionality required. Table 1 below summarizes the content of each release by functional module.

Table 1: Exchange Implementation Timeline

| Phase | Deliverable Functionality | Preliminary Design Review | Final Detailed Design | Operational Readiness | Implementation |
|-------|------------------------------|---------------------------|-----------------------|-----------------------|----------------|
| 1 | Plan Management | 4/1/2012 | 9/1/2012 | 4/1/2013 | 7/1/2013 |
| 2 | SHOP Employer Functionality | 4/1/2012 | 10/1/2012 | 5/1/2013 | 8/1/2013 |
| 3 | SHOP Employee Enrollment | 4/1/2012 | 12/1/2012 | 7/1/2013 | 10/1/2013 |
| 4 | Individual Eligibility | 4/1/2012 | 12/1/2012 | 7/1/2013 | 10/1/2013 |
| 5 | Individual Enrollment | 4/1/2012 | 12/1/2012 | 7/1/2013 | 10/1/2013 |
| 6 | Financial Management | 4/1/2012 | 12/1/2012 | 7/1/2013 | 10/1/2013 |
| 7 | Administrative Functionality | 4/1/2012 | 3/1/2013 | 10/1/2013 | 1/1/2014 |

The implementation dates provided in Table 1 above are constrained by CMS requirements to ensure that individuals and small business employees can enroll and be protected by health insurance as of January 1, 2014. To accomplish this requires a staged implementation of functionality as follows:

- Plan Management available to issuers by July 1, 2013 to set up Qualified Health Plans (QHP)
- SHOP Employer Functionality available to employers by August 1, 2013 for employers to choose of QHP(s) and identify employees to Exchange
- SHOP Employee Enrollment and Individual Eligibility & Enrollments available to individuals and SHOP employees by October 1, 2013 to verify eligibility and enroll in a QHP prior to January 1, 2014.

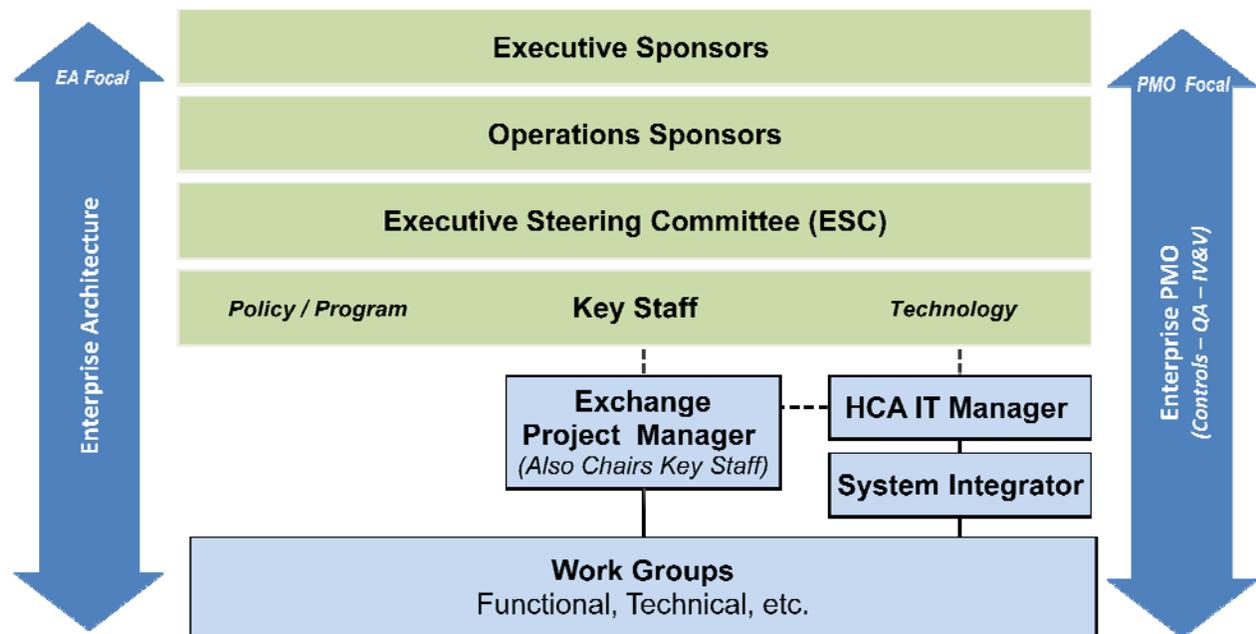
1.2.6 HCA Project Governance

To develop the state’s Exchange, the Authority has deployed a project governance model that utilizes both state and industry best practices. Figure 2 below provides a graphic representing the current governance model which will be in place until March, 2012.

In addition to the Authority staff and Vendor, the Exchange project will involve stakeholders and support staff from multiple State Agencies:

- Department of Social and Health Services
- Office of Insurance Commissioner
- Office of Financial Management
- Office of Chief Information Officer

Figure 2: Project Governance Model Prior to March 2012



In March 2012, the Exchange Board will be established, and will put in place a new governance structure to guide the remainder of the Exchange project. The Exchange Board, a public-private partnership, will be authorized to apply for and administer grants, establish the Exchange information technology infrastructure, and undertake the administrative functions necessary to begin operation of the exchange by January 1, 2014.

The Board will consist of seven Governor appointed members as well as additional members including the Director of the Health Care Authority and the Insurance Commissioner or his designee (as a non-voting, ex-officio member). Once established, the board will also establish by-laws, ensure transparency and accountability of the entity, and hire an executive director and other staff members of the exchange. Until the Exchange Board is established, the Authority will continue to provide leadership in developing the Exchange.

1.3 Acquisition Authority

ESSB 5931 2011-12, an act reorganizing and streamlining central service functions, powers, and duties of state government, established the Office of the Chief Information Officer (OCIO). While the OCIO does not purchase for agencies, it regulates the manner in which state agencies may acquire information technology equipment, software, and services. In addition, because the Exchange Portal will be a major IT System that has significant statewide impact, the procurement and contract will be for personal services under the authority of the newly established Department of Enterprise Services. The Authority issues this Request for Proposal (RFP) pursuant to the rules of the OCIO and DES. The OCIO must approve the selection of the Apparently Successful Vendor and the award of this contract. This contract is also required to be filed with and approved by DES. Work shall not commence and payment shall not be made until a minimum of ten (10) working days after the date of filing, and, if required, until reviewed or approved by DES. In the event DES fails to approve the Contract, the Contract shall be null and void.

1.4 Contract Term

1.4.1 Contract—Initial Term

The initial term of the Contract resulting from this RFP will commence on the date listed in Section 2: Schedule and will extend through June 30, 2015.

The initial term will include: (i) the design, development and implementation phase; (ii) the initial operations and maintenance period; and (iii) the 6 month warranty period.

Because of the phased implementation approach, operations and maintenance will occur in parallel with the implementation of the Exchange Portal.

The operations and maintenance period will begin when the Exchange Portal has moved into production—when all Level 1, 2 or 3 deficiencies (as defined in Section 5.2.4.8.6 of Appendix B) have been remedied and retested.

Acceptance of the Exchange Portal will occur when all Deficiencies have been corrected. On the day after Acceptance, a 6-month warranty period will commence, during which time any deficiencies will be remedied to the Authority's satisfaction at no additional cost.

1.4.2 Contract—Renewal Terms

The Authority, at its sole discretion, may extend the Operations and Maintenance under the Contract for up to six (6) additional years. Such renewals may also include additional development as required by law changes or other circumstances related to the improved functioning of the Exchange Portal.

1.4.3 Software License

The term of any Custom Software Licenses resulting from this RFP shall be perpetual as to the License.

1.5 Definitions

Definitions for this Request for Proposal shall have the meanings assigned to them as provided in Appendix L.

1.6 Award

Only one (1) Apparently Successful Vendor (ASV) will be identified via this procurement. The Authority intends to award only one (1) Contract.

1.7 Overview of Solicitation Process

The solicitation process of this project is sanctioned and driven directly from federal law and mandated milestones tied to grants. Failure to meet mandated milestones puts the State in jeopardy of losing federal grant monies. From a State perspective, the procurement process has temporarily fallen in a gap between the former Information Services Board (ISB) [created by the State Legislature in 1987] being disbanded, and a newly formed Technology Service Board (TSB) that is in process of being formed. New legislation effective October 1, 2011, Engrossed Substitute Senate Bill 5931 ([ESSB 5931](#)) formed the TSB and the new Office of the Chief Information Officer (OCIO). The TSB focuses primarily on IT strategic vision and planning; enterprise architecture; policy and standards; and major project oversight, including procurement endorsements. The first TSB meeting is not scheduled until the week of November 28, 2011. Regularly scheduled quarterly meetings are planned after the initial meeting starting in January 2012.

Effective October 1, 2011, the OCIO adopted the policies and standards from the former Information Services Board in an interim status pending review by the OCIO and TSB. OCIO anticipates finalized policies being adopted by January 1, 2012.

With respect to this procurement, and the current gaps in timing of the TSB, the State plans to coordinate with the OCIO to ensure policy and strategic IT planning are adhered to as well as aligned and integrated with the Exchange program's federal requirements.

The procurement is initiated by this Request for Proposal (RFP). Vendors will compete to build/integrate, implement and operate the Exchange. After evaluation of the proposals (Section 7: Evaluation Process), the Authority and the ASV will enter into a fixed-price, deliverable based contract through which the Vendor will build/integrate and implement the Exchange.

This solicitation process will occur in two stages:

- Vendor Proposals will be evaluated based on Mandatory Requirements (pass/fail) and Mandatory and Desirable Scored Requirements; and
- The Authority will identify the three (3)*highest scoring vendors as finalists. Finalists will present their project management approaches, demonstrate their solutions and respond to Authority reviewer questions. The Apparently Successful Vendor will be selected from the finalists.

*The Authority reserves the right to increase the number of finalists if the scores are so close together so as to create a cluster of more than three at the top of the scoring range.

1.8 Authority Provided Resources

Vendors should assume that the Authority will provide the following resources to the Project:

- Technology Staff: IT Subject Matter Experts from the Authority's Information Technology Services Division will be available to help ensure policies, design intentions (EA / SOA), development, testing and implementation are adhered to as well as aligned and integrated with the Exchange program's federal requirements.
- Business Staff: Business staff from the Authority or other appropriate agencies will be available for design, development, testing, and implementation as requested in the Vendor's proposal and negotiated with the Authority.

SECTION 2

2 Schedule

This RFP is being issued under the following Schedule. The Proposal deadlines are mandatory and non-negotiable. Failure to meet any of the required deadlines (dates and times) will result in disqualification from participation.

NOTE: All times are Pacific Standard Time

| | |
|--|-------------------------------|
| Issue RFP | 10/28/2011 |
| Pre-Response Conference | 11/8/2011, 9:00 AM PST |
| Vendor Letter of Intent Due | 11/8/2011, 3:00 PM PST |
| Vendor Complaints Regarding Requirements Due | 11/16/2011, 3:00 PM PST |
| Final Vendor Questions Due | 11/22/2011, 3:00 PM PST |
| Publish Final Q & A | 12/2/2011 |
| Vendor Proposals Due | 12/8/2011, 3:00 PM PST |
| Administrative Review | 12/9/2011 – 12/13/2011 |
| Written Proposal Evaluation Period | 12/14/2011 – 1/9/2012 |
| Schedule Oral Presentations/Demonstrations | 1/10/2012 |
| Conduct Vendor Oral Presentations/Demonstrations | 1/18/2012 – 1/20/2012 |
| Announce Apparently Successful Vendor | 1/25/2012 |
| Request for Optional Debrief Due | 1/27/2012, 5:00 PM PST |
| Conduct Optional Debriefs | 1/30/2012 – 1/31/2012 |
| Contract Negotiations | 1/26/2012 – 2/7/2012 |
| File Contract with DES (10 Business day filing period) | 2/8/2012 |
| Contract Executed | 2/24/2012 |

HCA reserves the right to revise the above Schedule.

The Authority recognizes that this is an aggressive schedule and expects the Apparently Successful Vendor (ASV) to be prepared for a short contract negotiation period. Failure to do so puts the project at risk of not being able to meet upcoming federal mandated milestones, thereby risking the loss of federal grant funds

SECTION 3

3 Administrative Requirements

3.1 RFP Coordinator (Proper Communication)

Upon release of this RFP, all Vendor communications concerning this solicitation must be directed to the RFP Coordinator listed below. With the exception of the Office of Minority and Women's Business Enterprises, unauthorized contact regarding this solicitation with other state employees involved with the solicitation may result in disqualification. Proposals should be based on the material contained in the RFP, any related amendments/addenda, and any questions and written answers directed through the RFP Coordinator. All oral communications will be considered unofficial and non-binding on the State. Vendors should rely only on written statements issued by the RFP Coordinator.

John Flanagan, RFP Coordinator
Health Care Authority
Telephone: (360) 923-2697
FAX: (360) 923-2835
E-mail: <mailto:Contracts@HCA.wa.gov>
(Please include RFP #K521 in subject line)

USPS Mail:

Post Office Box 42702
Olympia, WA 98504-2702

For any overnight, courier, hand-delivery, etc of the bids we need to use the following address:

Attn: John Flanagan
Health Care Authority
3819 Pacific Avenue SE, Suite A
Lacey, WA 98503

For official communications, the Authority may utilize:

- USPS mail;
- e-mail;
- the Authority's Procurement Web Site (<http://www.hca.wa.gov/rfp.html>);
- "WEBS" (Washington's Electronic Business Solution resource center for Vendors located at <https://fortress.wa.gov/ga/webs/>)

3.2 Procurement Web Site and Vendor Reference Library

The contents of this RFP, and all related documents, along with any amendments/addenda and written answers to questions will be available on the HCA web site at: <http://www.hca.wa.gov/rfp.html>

This Library includes supporting documents for the following:

- **Business/Functional Requirements**

- **Requirements Matrix** – contains the functional requirements that the vendor’s proposal must respond to.
- **Documentation Providing Context to the Requirements** – The following documents are provided as additional context in order to understand the intent of requirements. These documents do not represent scope and are not finalized, but are provided to assist in scope determination and understanding the Authority’s intent for the requirements.
 - ✓ **Business Process Flow Diagrams** – provides a high level indication of the Authority’s current thinking on process flows for the functional requirements
 - ✓ **Business Process Descriptions** – provides narrative to support the business process flow diagrams, and context for the functional requirements
 - ✓ **Object Role Model (optional)** – provides a conceptual data view as context for understanding the functional requirements.
 - ✓ **System Context Diagram (optional)** – provides a conceptual system model showing actors, systems and the data flowing between the systems
- **Project Management Requirements**
 - Exchange Risk and Issue Management Plan
 - Sample Standard of Performance
- **Technology Requirements**
 - Technical Reference Model
 - Exchange Security Blueprint
- **CMS Artifacts** - Document templates defined by CMS for the deliverables necessary for the Exchange Stage Gate Reviews which are the basis for Vendor deliverable acceptance
- **CMS Blueprints** - Documents provided by CMS describing the activities required of the Exchange and offering technical guidance.
- **CMS NPRMs** – Notice of Proposed Rule Making for the Exchange

The document(s) will be available in Adobe Acrobat or Microsoft Word formats. Vendors are strongly encouraged to visit the Web Site and download the documentation from the Library.

3.3 (M) Letter of Intent; 11/8/2011, 3:00 PM PST

A letter indicating the Vendor's intent to respond to this RFP must be received by the RFP Coordinator at the address specified in Section 3.1: RFP Coordinator, no later than the date and time listed in Section 2: Schedule. The Vendor may submit the Letter of Intent by USPS mail, or courier, or e-mail. Failure to submit a Letter of Intent by the deadline specified in Section 2 *Schedule*, will result in Vendor disqualification and the rejection of any subsequent Proposal.

Each Vendor must include the following information in the Letter of Intent:

- a) Name of Prime Vendor Organization;
- b) Name of Prime Vendor Representative to serve as contact for RFP communications;
- c) Prime Vendor Representative Title;
- d) Prime Vendor Representative Address;
- e) Prime Vendor Representative Telephone Number;
- f) Prime Vendor Representative FAX Number;
- g) Prime Vendor Representative E-mail Address;
- h) Statement of Intent and Availability;
- i) Certification that the Prime Vendor meets or exceeds the minimum requirements of this RFP;

- j) Statement of Vendor's good faith belief in Vendor's ability to meet the Mandatory and Desired Requirements listed in this RFP document, and those in Appendices B: Project Management Requirements, C: Business/Functional Requirements, and D: Technology Requirements;
- k) Statement of capacity and qualifications to perform a project of scope and duration of Exchange;
- l) List by name the firms that the Prime Vendor anticipates using as sub-contractors;
- m) Brief description of how your company meets the minimum qualifications set out in section 4.1: Minimum Qualifications.

3.4 (M) Pre-Proposal Conference; 11/8/2011, 9:00 AM PST

Vendors who wish to submit a Proposal to this RFP must participate in a Mandatory Pre-Proposal Conference on the date and at the time identified in Section 2: Schedule. Vendors who do not attend the Conference will not be eligible to submit a Proposal to the RFP. The Conference will be held at the following location:

Health Benefits Exchange Pre-Proposal Conference
 General Administration Building
 1ST Floor; Auditorium
 210 11th Avenue SW
 Olympia, WA 98501

<http://www.ga.wa.gov/Park/visitor.htm>

The purpose of this Pre-Proposal Conference is to provide Vendors an opportunity to address questions they may have concerning the RFP. Vendors are requested to submit their questions in writing to the RFP Coordinator at their earliest opportunity prior to the Pre-Proposal Conference. Verbal answers to additional Vendor questions at the time of the Pre-Proposal Conference will be nonbinding and unofficial. The Authority will attempt to provide a written response to significant questions to participating Vendors within three (3) Business Days after the Pre-Proposal Conference.

Attendance at the Pre-Proposal Conference is mandatory. Participation by teleconference will not be allowed. Attendance at the Pre-Proposal Conference is at the Vendor's sole expense.

We are also pursuing conducting this via a WebEx conference and thus avoiding the necessity to conduct this at one physical location. Further details will follow; however, until further notice attendance in person is still mandatory.

3.5 Vendor Questions

Vendor questions regarding this RFP will be accepted until the dates and times specified in RFP Section 2: Schedule. Early submission of questions is encouraged. Vendor questions must be submitted in writing via e-mail to the RFP Coordinator at contracts@hca.wa.gov. An official written response will be provided for Vendor questions received by the deadlines in the Schedule, Section 2 above.

Written responses to Vendor questions will be posted on the Authority's Procurement Web Site at: <http://www.hca.wa.gov/rfp.html>. The Vendor that submitted the questions will not be identified. Verbal responses to questions will be non-binding on the Authority. Only written responses posted to the Authority's Procurement Web Site will be considered official and binding.

Vendors are requested to use the following format when submitting their written questions

| Question # | Document Name | Section # and Title | Page or Paragraph# | Question | Response |
|------------|---------------|---------------------|--------------------|----------|----------|
| | | | | | |
| | | | | | |
| | | | | | |

3.6 Vendor Complaints Regarding Requirements and Specifications

Vendors are encouraged to review the Mandatory Requirements of this RFP carefully. If Vendor believes that the document unduly constrains competition or contains inadequate or improper criteria, a complaint may be made to the RFP Coordinator before a vendor responds to a solicitation document. Where Mandatory Requirements appear to prohibit or restrict your firm’s participation, an explanation of the issue with suggested alternative language should be submitted in writing to the RFP Coordinator by the deadline for Vendor Comments and Complaints in Section 2: Schedule.

Vendors are expected to raise any questions, exceptions, or additions they have concerning the RFP requirements early in the RFP process. The solicitation process may continue.

The Authority will immediately forward a copy of the complaint to the Department of Enterprise Services (DES) and the Office of Chief Information Officer (OCIO) The Authority will also reply to the Vendor with a proposed solution and advise DES and OCIO of its reply. If the Vendor rejects the Authority’s proposed solution, DES may direct modification of solicitation requirements or the schedule, direct withdrawal of the solicitation, or may take other steps that it finds appropriate. The DES decision is final; no further administrative appeal is available.

3.7 (M) Proposal Contents

The Proposal must contain information responding to all Mandatory Requirements in the RFP document, and RFP Appendices B: Project Management Requirements, C: Business/Functional Requirements, D: Technology Requirements, P: Eligibility Service Requirements; and must include the signature of an authorized Vendor representative on all documents required in the Appendices.

Appendices A, B, C, D and P are an extension to RFP Sections 4 and 5. Specifically:

- Appendix A is supplemental to Subsection 4.4
- Appendix B is supplemental to Subsection 5.2;
- Appendices C and P is supplemental to Subsection 5.3, and;
- Appendix D is supplemental to Subsection 5.4.

Vendor’s proposals must respond to all questions in both this RFP document and appendices A, B, C, D, E, K and P.

The Proposal must be submitted in three (3) volumes organized and containing the information listed below. This separation of documentation protects the integrity of the State’s evaluation process. No mention of the Financial Proposal may be made in Volumes 1 or 3.

Volume 1:

- Vendor’s Letter of Submittal (Section 4.2 **Error! Reference source not found.**: Vendor Profile/Letter of Submittal) explicitly acknowledging receipt of all RFP amendments/addenda issued.

- The Response to Sections 4 and 5
- The Response to Appendix A: Vendor Organizational Capabilities Requirements
- The Response to Appendix B: Project Management Requirements
- The Response to Appendix C: Business/Functional Requirements
- The Response to Appendix D: Technology Requirements
- The Response to Appendix P: Eligibility Service Requirements

Volume 2:

- Financial Proposal (Section 6: Financial Proposal)

Volume 3

- Vendor’s signed and completed Certifications and Assurances (Appendix E)
- Vendor’s exceptions and/or proposed revisions to the Contract (Appendix F)
- Software Licensing terms for any proposed software that is not owned by Vendor (see Section 4.4)
- Vendor’s Minority and Women’s Business Enterprise (MWBE) Certification (Appendix G, if applicable)

3.8 (M) Number of Proposal Copies Required

- 1 CD-ROM of Proposal Volume 1, with one (1) true and correct printed original, plus four (4) complete printed copies, produced on 8.5 x 11 paper, punched and bound in separate three ring binders (Note: more than a single “binder” may be required for Volume 1).
- 1 CD-ROM of Proposal Volume 2, with one (1) true and correct printed original, plus four (4) complete printed copies, produced on 8.5 x 11 paper, punched and bound in separate three ring binders.
- 1 CD-ROM of Proposal Volume 3, with one (1) true and correct printed original, plus four (4) complete printed copies, produced on 8.5 x 11 paper, punched and bound in separate three ring binders.
- 1 copy of manuals, brochures, or other printed materials, if submitted, including any demonstration video or demonstration web site on CD-ROM.

3.9 (M) Proposal Presentation and Format Requirements

The following requirements are Mandatory in responding to this RFP. Failure to follow these requirements may result in Vendor disqualification.

- 3.9.1 The signature block in Appendix E: Certifications and Assurances must be signed by a representative authorized to bind the company to the offer.
- 3.9.2 Vendor must respond to each requirement contained in Appendix A: Vendor Organizational Capabilities, Appendix B: Project Management Requirements, Appendix C: Business/Functional Requirements, Appendix D: Technology Requirements, Appendix P: Eligibility Service Requirements, Appendix K: Financial Response and complete Section 6: Financial Proposal, and complete Appendix E: Certifications and Assurances.
- 3.9.3 Failure to submit any of the required documents may result in the Proposal being disqualified.

- 3.9.4 Each of the RFP requirements are numbered and titled. In each requirement title is a designation indicating how the Proposal will be evaluated:
- a) For Mandatory Requirements **(M)**, the Proposal must always indicate explicitly whether or not the Vendor's proposed services meet the requirement. A statement, "(Vendor Name) has read, understands, and fully complies with this requirement" is acceptable, along with any additional information requested.
 - b) For Mandatory Scored requirements **(MS)** and Desirable Scored **(DS)** requirements items, the Proposal must always indicate explicitly whether or not the Vendor's proposed services meet the requirement, and describe how the Vendor's proposed services will accomplish each requirement or are desirable as it relates to the service(s) proposed.
- 3.9.5 Proposals must be prepared on standard 8.5 x 11-inch loose-leaf paper and placed in three-ring binders with tabs separating the major sections of the Proposal. Pages must be numbered consecutively within each section of the Proposal showing Proposal section number and page number. Responses to numbered requirements must include the requirement number. Font size must be 11 or larger. Vendor may include oversize inserts in their submission.
- 3.9.6 Include Vendor name and the name, address, e-mail, facsimile and telephone number of the Vendor's authorized representative at the beginning of each volume of the Proposal.
- 3.9.7 Figures and tables must be numbered and referenced in the text of the Proposal by that number. Foldouts containing charts, spreadsheets, and oversize exhibits are permissible.
- 3.9.8 The Proposal, as well as any reference materials presented by Vendor, must be written in English and Vendor must provide all rates in United States dollars.
- 3.9.9 Files submitted on CD-ROMs must be in MS Word, MS Excel, MS Visio, MS Project or Adobe Acrobat format. Files must not be locked or protected. Failure to provide any requested information in the prescribed format may result in disqualification of the Vendor.

3.10(M) Delivery of Proposals

It is Mandatory that Vendors submit all copies of their Proposals by the date and time in *Section 2: Schedule*, to the RFP Coordinator at the address specified in *Section 3.1: RFP Coordinator*.

Proposals must be **received** at the Authority by the date and time specified. Proposals arriving after the deadline will be returned unopened to their senders. A postmark by that time is not acceptable.

Proposals sent by facsimile or e-mail will not be accepted. Vendors assume all responsibility for the method of delivery and for any delay in the delivery of their Proposal.

3.11 Cost of Proposal Preparation

The Authority will not reimburse Vendors for any costs associated with preparing or presenting a Proposal to this RFP.

3.12 Proposal Property of the Authority

All materials submitted in response to this solicitation become the property of the Authority, unless received after the deadline in which case the Proposal is returned to the sender. The Authority has the right to use any of the ideas presented in any material offered. Selection or rejection of a Proposal does not affect this right.

3.13 Proprietary or Confidential Information

The Authority is subject to the Public Records Act (chapter 42.56 RCW). Vendor's Response can be disclosed through the process set forth in this section. Portions of Vendor's Response may be protected from disclosure through the process set forth in this section.

- **Vendor cannot restrict its entire Response or entire sections of the Response from disclosure.**
- **Vendor cannot restrict its pricing from disclosure**

Any attempts to restrict disclosure through use of footers on every page and/or statements restricting disclosure will not be honored and may subject Vendor to disqualification.

If Vendor wants to protect any Proprietary Information that is included in its Response from disclosure, the information must be clearly identified by Vendor as Proprietary Information. Vendor must identify sections or pages claimed as proprietary in its Letter of Submittal (Section 4.2: Vendor Profile/Letter of Submittal). "Proprietary Information" is defined as information owned by Vendor to which Vendor claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws.

The Authority will maintain the confidentiality of all information marked Proprietary Information to the extent consistent with the Public Records Act. If a public disclosure request is made to view Vendor's Proprietary Information, the Authority will notify Vendor of the request and of the date that the Proprietary Information will be released to the requester unless Vendor obtains a court order from a court of competent jurisdiction enjoining that disclosure. If Vendor fails to obtain the court order enjoining disclosure, the Authority will release the Proprietary Information, on the date specified.

The Authority's sole responsibility shall be limited to maintaining Vendor's identified Proprietary Information in a secure area and to notify Vendor of any request(s) for disclosure for so long as the Authority retains Vendor's information in the Authority's records. Failure to so label such materials or failure to timely respond after notice of request for public disclosure has been given shall be deemed a waiver by Vendor of any claim that such materials are exempt from disclosure.

3.14 Waive Minor Administrative Irregularities

The Authority reserves the right to waive minor administrative irregularities contained in any Proposal. Additionally, the Authority reserves the right, at its sole option, to make corrections to Vendors' Proposals when an obvious arithmetical error has been made in the price quotation. Vendors will not be allowed to make changes to their quoted price after the Proposal submission deadline.

3.15 Errors in Proposal

Vendors are liable for all errors or omissions contained in their Proposals. Vendors will not be allowed to alter Proposal documents after the deadline for Proposal submission. The Authority is not liable for any errors in Proposals. The Authority reserves the right to contact Vendor for clarification of Proposal contents.

In those cases where it is unclear to what extent a requirement or price has been addressed, the evaluation team(s) may, at their discretion and acting through the RFP Coordinator, contact a Vendor to clarify specific points in the submitted Proposal. However, under no circumstances will the responding Vendor be allowed to make changes to the proposed items after the deadline stated for receipt of Proposals.

3.16 Amendments/Addenda

The Authority reserves the right to amend portions of this RFP at any time. The Authority may correct errors in the solicitation document identified by the Authority or a Vendor. Any changes or corrections will be by one or more written amendment(s), dated, and attached to or incorporated in and made a part of this solicitation document. All changes must be authorized and issued in writing by the RFP Coordinator. If there is any conflict between amendments/addenda, or between an amendment and the RFP, whichever document was issued last in time shall be controlling. In the event that it is necessary to revise or correct any portion of the RFP, a notice will be posted on the Authority's Procurement Web Site at: <http://www.hca.wa.gov/rfp.html>.

3.17 Right to Cancel

With respect to all or part of this RFP, the Authority reserves the right to cancel or reissue at any time without obligation or liability.

3.18 Contract Requirements

The Authority's Proposed Contract, based on the Model Information Technology Contract Terms and Conditions adopted by the OCIO, has been included as Appendix F.

To be responsive, Vendors must indicate a willingness to enter into a Contract substantially similar to the Authority's proposed contract, by signing the Certifications and Assurances located in Appendix E. Any specific areas of dispute with the attached terms and conditions must be identified in the Proposal and may, at the sole discretion of the Authority, be grounds for disqualification from further consideration in the award of a Contract.

A Vendor will be more favorably evaluated based on the degree of acceptance of the specified terms and conditions without exception, reservation, or limitation.

Vendors may, however, propose revisions to the Proposed Contract terminology for clarification and procedural purposes, and/or revisions based upon specific elements of their proposed solution.

Under no circumstances is a Vendor to submit their own standard contract terms and conditions as a response to this solicitation. Instead, Vendor must review and identify the language in Appendix F that Vendor finds problematic, state the issue, and propose the language or contract modification Vendor is requesting. All of Vendor's exceptions to the contract terms and conditions in Appendix F must be submitted within the Proposal, attached to Appendix E: Certification and Assurances. The Authority expects the final Contract signed by the ASV to be substantially the same as the Contract located in Appendix F.

The foregoing should not be interpreted to prohibit either party from proposing additional contract terms and conditions during negotiation of the final Contract.

The ASV is expected to execute the Contract within ten (10) Business Days of its receipt of the final Contract. If the selected Vendor fails to sign the Contract within the allotted time frame, the Authority may elect to cancel the award, and award the Contract to the next ranked Vendor, or cancel or reissue this solicitation (Section 3.17: Right to Cancel). Vendor's submission of a Proposal to this solicitation constitutes acceptance of these contract requirements.

The agreed-upon contract is subject to State and federal approval.

3.19 Incorporation of Documents into Contract

This solicitation document and the Proposal will be incorporated into any resulting Contract.

3.20 Best and Final Offer

Upon completion of the Vendors' oral presentations and demonstrations, the RFP Coordinator may issue to the Vendors participating in the presentations/demonstrations a request for Best and Final Offers. This request may include specific instructions as to the content and form of the Best and Final Offer and an invitation to submit a revised proposal.

The State reserves the right to select the Apparently Successful Vendor without requesting a Best and Final Offer. Therefore, Vendors should submit their proposal on the most favorable terms the Vendor can offer.

3.21 No Costs or Charges

No costs or charges under the proposed Contract may be incurred before the Contract is fully executed.

3.22 Minority and Women's Business Enterprises (MWBE)

In accordance with the legislative findings and policies set forth in [RCW 39.19](#), the Authority encourages participation in all of its Contracts by Minority and Woman Owned Business Enterprise (MWBE) firms either self-identified or certified by the [Office of Minority and Women's Business Enterprises](#) (OMWBE). Participation may be either on a direct basis in response to this Solicitation or as a Subcontractor to a Vendor. While the Authority does not give preferential treatment, it does seek equitable representation from the minority and women's business community. Vendors who are MWBE or intend to use MWBE Subcontractors are encouraged to identify the participating firm on Appendix G: *OMWBE Certification*. For questions regarding the above, or to obtain information on certified firms for potential sub-contracting arrangements, contact Office of MWBE at (360) 753-9693.

3.23 No Obligation to Contract/Buy

The Authority reserves the right to refrain from Contracting with any and all Vendors. Neither the release of this solicitation document nor the execution of a resulting Contract obligates the Authority to make any purchases.

3.24 Non-Endorsement and Publicity

In selecting a Vendor to supply services to the state of Washington, the State is neither endorsing Vendor's products or services, nor suggesting that they are the best or only solution to the State's needs. By submitting a Proposal, Vendor agrees to make no reference to the Authority or the state of Washington in any literature, promotional material, brochures, sales presentation or the like, regardless of method of distribution, without the prior review and express written consent of the Authority.

3.25 Withdrawal of Proposal

Vendors may withdraw a Proposal that has been submitted at any time up to the Proposal due date and time (identified in Section 2: Schedule). To accomplish Proposal withdrawal, a written request signed by an authorized representative of Vendor must be submitted to the RFP Coordinator. After withdrawing a previously submitted Proposal, Vendor may submit another Proposal at any time up to the Proposal submission due date and time.

3.26 Optional Vendor Debriefing

Only Vendors who submit a Proposal may request an optional debriefing conference to discuss the evaluation of their Proposal. The requested debriefing conference must occur on or before the date

specified in Section 2: Schedule. The request must be in writing (e-mail acceptable) addressed to the RFP Coordinator.

The optional debriefing will not include any comparison between Vendor's Proposal and any other Proposals submitted. However, the Authority will discuss the factors considered in the evaluation of the requesting Vendor's Proposal and address questions and concerns about Vendor's performance with regard to the solicitation requirements. The debriefing conference may take place in-person or by telephone.

3.27 Protest Procedures

Vendors who have submitted a Proposal to this solicitation and have had a debriefing conference may make protests. Upon completion of the debriefing conference, a Vendor is allowed five (5) Business Days to file a formal protest of the solicitation with the RFP Coordinator. Further information regarding the grounds for filing and resolution of protests is contained in Appendix H: Protest Procedures.

3.28 Selection of Apparently Successful Vendor

All Vendors responding to this RFP shall be notified by mail or e-mail when the Authority has determined the finalist. The date of the announcement of the finalist shall be the date the announcement is postmarked.

One finalist will be selected as the ASV. The ASV will be the Vendor who: (1) meets all the requirements of this RFP; and (2) receives the highest ranking as described in Section 7: Evaluation Process.

SECTION 4

4 VENDOR REQUIREMENTS

Respond to the following “Vendor Requirements” in Section 4 as well as the supplemental “Vendor Requirements” in Appendix A: *Vendor Organizational Capabilities Requirements*, per the instructions in Section 3.9: Proposal Presentation and Format Requirements.

4.1 (M) Vendor Minimum Qualifications

Vendors must meet the following minimum qualifications:

- a) Vendor must be licensed to do business in the State of Washington or provide a commitment that it will become licensed in Washington within thirty (30) calendar days of being selected as the Apparently Successful Vendor (ASV).
- b) Vendor must have experience designing, developing and implementing a health related system (e.g., eligibility, enrollments, benefits, insurance, claims) in the last five (5) years of similar size and complexity and with a contract value in excess of \$15 million **OR** must provide persuasive rationale why your organization is qualified to develop a Health Benefits Exchange.
- c) Vendor must have a “good” or better financial strength rating on a Dun and Bradstreet business/credit report of Vendor’s financial status dated not more than sixty (60) days prior to the submittal date of the proposal.

4.2 (M) Vendor Profile/Letter of Submittal

Vendor must provide a Letter of Submittal written on the Vendor's official business letterhead stationery that must be included in Volume 1 of Vendor’s Response (Section 3.7: Proposal Contents) and must include:

- a) The legal business name;
- b) Type of business entity, (e.g., corporation, sole proprietorship, limited liability company.);
- c) The year the entity was organized to do business as the entity now substantially exists;
- d) Washington State Uniform Business Identification (UBI) number, if registered;
- e) Proposal Primary Contact address, email address, telephone and FAX numbers;
- f) A web site URL (if any);
- g) An organizational chart of Vendor’s principal officers, including names and titles;
- h) A statement that the Vendor meets all the minimum qualifications and that the proposed solution meets all the Mandatory (M) and Mandatory Scored (**MS**) Requirements set forth in the RFP and its amendments/addenda, if any;
- i) Identification of sections or pages of Vendor’s Proposal claimed as Proprietary (see Section 3.13 Proprietary Information);
- j) A statement that acknowledges and agrees to all of the rights of HCA including the RFP rules and procedures and the terms and conditions of this RFP, including any amendments/addenda;
- k) A reference to all RFP amendments/addenda received by the Vendor (identified by amendment issue date) to represent that the Vendor is aware of all such amendments/addenda. If no RFP amendments/addenda have been received, the Vendor should so state;
- l) Any other representations, assurances or warranties that the Vendor deems appropriate and wishes to convey to HCA.

The Letter of Submittal must be signed and dated by an individual with full authority to legally bind the entity submitting the Proposal to this RFP.

4.3 (M) Executive Summary

The Vendor's proposal must summarize the proposed project management approach and overall services, giving the evaluators a strong general overview of the Organizational, Management, Technical, and Functional proposals of the Vendor.

The Vendor's proposal must:

- State the Vendor's ability and willingness to work cooperatively with HCA and designees.
- State that the Vendor agrees to comply with the procurement process described in the RFP.
- State that the Vendor understands the scope and objectives of the project and agrees to meet the requirements specified in the RFP.
- State that the Vendor will perform the services described in the RFP.
- State that the Vendor's proposed solution will meet all Washington State Health Benefits (Insurance) Exchange – "Exchange" requirements.
- Identify any operational issues.
- Identify any unique or innovative features of Vendor's proposed solution.
- Provide an overview of the risks associated with this project, critical success factors, and actions HCA should consider during the major "Exchange" project stages.
- Explain how the proposed solution represents to HCA the best option for its Health Benefits (Insurance) Exchange project, and why HCA should select the proposed solution.

4.4 (M) Software Ownership

If Vendor is proposing a Software-Based Solution, Vendor's Response must include a statement indicating whether the Software is owned by Vendor or a third party. If the Vendor is not the owner of the Software, Vendor must agree to the following for each Software product included in Vendor's proposed solution (please indicate whether Vendor understands and agrees to each – failure to do so will result in disqualification from bidding on this RFP):

- a) Vendor must identify the Software owner and provide contact information; and
- b) Vendor must provide the Software owner's licensing terms in Volume 3 of the Response; and
- c) Vendor must provide HCA's terms and conditions (Appendix F) to software owner; and
- d) Software owner must agree to participate in contract negotiations with HCA.

4.5 (M) Single Point of Contact

Vendor will act as the Single Point of Contact for the Authority with the Vendor's subcontractors, Product manufacturers, and other relevant third-parties for the Services described in the Request for Proposal (RFP).

4.6 (M) Vendor Organizational Capabilities

Vendor must provide a response to the requirements included in the document Appendix A: “Vendor Organizational Capabilities Requirements” attached with this RFP. Vendors must respond within the appendix.

4.7 (M) Vendor Account Manager

Vendor shall appoint an Account Manager who will provide oversight of Vendor Contract activities under the Contract resulting from this RFP. Vendor’s Account Manager will be the principal point of contact concerning Vendor’s Contract performance.

4.8 (MS) Client References

4.8.1 (M) Vendor must ensure that on or before the date and time the Proposals are due (Section 2: Schedule) the RFP Coordinator receives at least three (3) and no more than six (6) client references (Appendix J) from customers for whom the Vendor has implemented systems similar in size and scope .

- At least one reference must be from a customer for whom Vendor acted as the integrator for a large (e.g. \$15M or more) health related project (e.g., eligibility, enrollments, benefits, insurance, claims).
- At least two references must be for a system implementation on which Vendor was the prime contractor.
- References must not be from a person, company or organization with any interest, financial or otherwise, in the Vendor organization. References that do not originate from a Client in an arms-length relationship with Vendor will be rejected.

The most relevant references are considered those that the vendor has provided services similar in type and scope to those requested within this RFP, RFP K521.

HCA reserves the right to be one of Vendor’s client references based on HCA’s prior experience with Vendor, and have HCA’s Client Reference Form evaluated.

4.8.2 (M) The Vendor is responsible for providing the Client Reference Form to their identified customer references (see Appendix J: “Client Reference Form”). Vendor should select Client References that will respond in a timely manner. Each Client Reference must complete the Client Reference Form and either mail the original signed copy or email or FAX a PDF of a signed copy directly to the RFP Coordinator. The completed Client Reference Form must be returned directly from the customer, not the Vendor. All forms must be received by the RFP Coordinator no later than the time and date indicated in the Schedule (Section 2, Schedule).

4.8.3 (M) If the Client Reference Forms are not received by the RFP Coordinator on or before the indicated date and time, HCA will make one attempt to contact the Client references listed in Vendor’s response to Subsection 4.8.4 to obtain a completed Client Reference Form. If contact cannot be made within one business day or the reference declines to submit the Client Reference Form, that Client Reference will not be included in the evaluation.

4.8.4 (M) Vendor must provide the following information about each customer reference.

1. Organization Name;
1. Type of Business
2. Contact name and title;

3. Telephone and E-mail address;
 4. A brief description of the work done for the referenced client;
 5. Start and end dates; and dollar amount of project; and
 6. Date of system acceptance by the Client
- 4.8.5 (M)HCA may eliminate from contract award consideration any Vendor who receives an unfavorable report from a Vendor identified customer reference. HCA also reserves the right to contact other Vendor customers for additional references.

4.9 (M) Intellectual Property

Except as expressly provided in the Contract resulting from this RFP, Vendor agrees that all Software and documents that are developed as a part the Project will become of the property of the State of Washington, Health Care Authority.

4.10 (M) Financial Rating

Vendor must provide a copy of a Dun and Bradstreet business/credit report of the Vendor's financial status dated not more than sixty (60) days prior to the submittal date of the proposal that indicates a financial strength rating of "good" or better..

4.11 (M) Vendor Licensed to do Business in Washington

Within thirty (30) days of being identified as the ASV, Vendor must be licensed to conduct business in Washington. The Vendor must collect and report all applicable taxes. In order to receive payment from Washington state agencies, Contractors must be registered in the Statewide Vendor Payment Registration system maintained by the Office of Financial Management. To obtain registration materials go to <http://www.ofm.wa.gov/isd/vendors.asp>.

4.12 (M) Use of Subcontractors

The Authority will accept Proposals that include third party involvement only if the Vendor submitting the Proposal agrees to take complete responsibility for all actions of such Subcontractors. Vendors must state whether Subcontractors are/are not being used, and if they are being used, Vendor must list them in response to this Section. Any Subcontractors engaged after award of the Contract must be pre-approved, in writing, by the Authority.

Specific restrictions apply to contracting with current or former state employees pursuant to Chapter 42.52 RCW. Vendors should familiarize themselves with the requirements prior to submitting a Proposal.

4.13 (M) Prior Contract Performance

The Vendor's proposal must respond to the following:

- 4.13.1 Vendor must submit full details of all Contracts with the State of Washington within the last eight (8) years, including the other party's name, address, email address and telephone number.
- 4.13.2 Vendor must submit a brief description of any significant pending legal and administrative proceedings in any jurisdiction in which Vendor, its officers, directors, employees or principals or any of its subsidiaries or parent(s), their officers, directors, employees or principals is a party or of which any of their property is subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, and the principal parties thereto, and a description of the factual basis alleged to underlie the proceedings. Notwithstanding the foregoing, Vendor

shall submit information concerning any claim or allegation which brings into question Vendor's performance or failure to perform.

- 4.13.3 Vendor must submit a brief description of any occasion in which Vendor, any officer or principal of Vendor with a proprietary interest therein, has ever been disqualified, removed or otherwise prevented from bidding on, participating in, or completing a federal, state or local governmental project because of a violation of law or a safety regulation.
- 4.13.4 Vendor must submit a brief description of any occasion in which Vendor has been in a position of default on a project, such that payment proceedings and/or execution on a letter of credit, payment, performance or bid bond have been undertaken.
- 4.13.5 Vendor must submit a list of all material threatened and/or pending claims, litigation and judgments or settlements, government enforcement actions.
- 4.13.6 Vendor must identify whether the Vendor or any of its officers refused to testify or waive immunity before any state or the federal grand jury relating to any public project within the last ten years. If so, provide details.
- 4.13.7 If multiple organizations are participating (e.g., subsidiaries, parent companies, and/or subcontractors), the information requested herein must be provided regarding each of the respective organizations.
- 4.13.8 The Authority will evaluate the information and may, at its sole discretion, reject the Proposal if the information indicates that completion of a Contract resulting from this RFP may be jeopardized by selection of the Vendor.

4.14 (M) Letter of Credit

Within 10 days of executing the Contract, Vendor must provide HCA with an Irrevocable Letter of Credit, naming HCA as the beneficiary, in a form and format acceptable to HCA in an amount of \$5 Million. Irrevocable Letter of Credit (the "ILC") means a written commitment by a federally insured financial institution to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by HCA (the "Beneficiary") of a written demand therefore. Neither the financial institution nor the Vendor may revoke or condition the Letter of Credit. The ILC securing Vendor's performance of its Contract obligations and other potential liabilities to HCA must remain in effect until the end of the Warranty Period.

4.15 (M) Insurance

The ASV will be required to obtain insurance to protect the State should there be any claims, suits, actions, costs, or damages or expenses arising from any negligent or intentional act or omission of the Vendor or its Subcontractor(s), or their agents, while performing work under the terms of any Contract resulting from this solicitation. Vendors will find a complete description of the specific insurance requirements in the proposed contract terms in Appendix F: *Proposed Contract*.

4.16 (M) Location of Vendor's Project Development Team

The Vendor's Exchange project development team will be based in the "Exchange Project Facility", in Olympia, Washington within reasonable proximity to the Authority's Cherry Street Plaza offices:

Washington State Health Care Authority
626 8th Ave.
Olympia, WA 98504

SECTION 5

5 Health Benefits (Insurance) Exchange System Requirements

Respond to the following “Vendor Requirements” in Section 5 as well as the supplemental “Vendor Requirements” in Appendix B, C D, and P per the instructions in Section 3.9: Proposal Presentation and Format Requirements.

5.1 (M) Risk Management

Risk Management will primarily be the responsibility of the Authority’s Project Team and External Quality Assurance Contractor. Nevertheless, Vendor will be expected to identify and manage risks within its Project Management responsibilities in coordination with the Authority’s Project Management Team, including:

- a. Identification of risk areas;
- b. Classifying criticality and probability of occurrence;
- c. Planning potential contingency measures;
- d. Identifying triggers to initiate contingency measures; and
- e. Identification and monitoring of mitigation activities.

Vendor must agree to cooperate and work with HCA’s Quality Assurance (“QA”) and, potentially, Independent Validation and Verification (“IV&V”) contractors in their efforts to provide independent assessment of Vendor’s compliance with the Contract resulting from this RFP. Such cooperation includes agreement to cooperate with and make internal records, personnel, Project control systems and other support information available on a reasonable basis as requested by the Authority or the QA and IV&V contractors.

5.2 (M) Project Management Requirements

Vendor must provide a response to the requirements included in the document Appendix B: Project Management Requirements attached with this RFP. Vendors must respond within the appendix.

5.3 (M) Exchange Business/Functional Requirements

Vendor must provide a response to the requirements included in the documents Appendix C: Business-Functional Requirements and Appendix P: Eligibility Service Requirements attached with this RFP. Vendors must respond within the respective appendix.

5.4 (M) Technology Requirements

Vendor must provide a response to the requirements included in the document Appendix D: Technology Requirements attached with this RFP. Responses are expected to be documented within the appendix.

5.5 (M) Warranty

The Warranty period will begin on the day after the Exchange Portal has been Accepted. Acceptance will occur after the implementation of required functionality as defined in Appendix C: Business/Functional Requirements and Appendix D: Technology Requirements and when the entire Health Benefit Exchange is operating without deficiency, as defined in Appendix B, Section 5.2.4.9 and 5.2.4.10.

The Warranty Period will be for a period of six (6) months during which the Vendor will be responsible for the Warranty Services as described in Appendix F Proposed Contract at no additional cost to HCA.

(M) The Vendor must certify that they have read and understand the Warranty provisions as defined in Appendix F Proposed Contract.

SECTION 6

6 Financial Proposal

Respond to the following requirements per the instructions in *Section 3.9: Proposal Presentation and Format Requirements*.

6.1 (M) General Provisions

The Contract resulting from this acquisition will be a “fixed-price”, deliverable-based Contract. In the Financial Proposal, Vendors will provide information regarding the deliverables, staff hours per deliverable, the delivery dates, and the cost of deliverables.

The Authority will pay for deliverables on the following basis as shown in the Deliverables Cost tab of Appendix K – Financial Proposal:

- 22.5 percent of the agreed, fixed price will be paid upon Vendor delivery (Vendor Delivery)
- 45 percent of the agreed, fixed price will be paid upon Authority acceptance (Authority Acceptance);
- 22.5 percent of the agreed, fixed price will be paid upon Federal certification and acceptance (CMS Check-in); and
- 10 percent of the agreed, fixed price will be paid at Turnover of the system at the end of the Warranty period (Holdback).

Operations and Maintenance charges will be paid upon receipt of a correct invoice for defined deliverables within 30 days of receipt of an invoice for services provided in the previous month as specified in the O&M tab of Appendix K – Financial Proposal.

6.2 (M) Financial Proposal Requirements

The Authority requires the following of the Financial Proposal:

- All Vendor costs (e.g., technical staff, management staff, travel, overhead) are to be included in the price of the deliverables.
- The deliverables must be the same as those in the listed in Section 5.2.6.2, Deliverable by Payment Milestone and in the Work Plan(s) for Project Management, Business/Functional, and Technical activities.
- The proposal must be free from mathematical error. (Minor rounding errors are not considered mathematical errors.)
- The proposal must include all costs as described in this section.
- The Financial Proposal must be accompanied by a copy of the Work Plan that includes all the deliverables specified in the Financial Proposal. HCA will not pay for products not described in this plan.

6.3 (MS) Financial Requirements “Health Benefits Exchange” Completion

All payments under the contract, except operations and maintenance services, will be for the delivery of tangible, completed products. The minimum work products are the Exchange Project deliverables identified in Appendix B: Project Management Requirements; Appendix C: Business/Functional Requirements; and Appendix D: Technology Requirements.

The Vendor is responsible for including all cost components in the proposed cost proposal.

Management costs as well as all other costs to the Contractor (including, but not limited to: facilities, computers, software, equipment, telecommunications, travel and living expenses/per diem, sales or use taxes and licensing fees) shall be included as overhead to the technical cost of completing Exchange Project deliverables, and will not be separately reimbursed.

To respond to the Financial Requirements set forth in this section, Vendor must utilize the Excel spreadsheets contained in Appendix K: Financial Response.

6.3.1 Vendor Pricing

Vendors must submit Appendix K, Financial Response, which is a multi-tab spreadsheet for the Vendor to enter their cost proposal in the individual worksheets as follows:

- **Deliverables Cost:** This worksheet summarizes the costs from all the other detail worksheets. There are four “yellow” highlighted cells on this worksheet for the Vendor to complete:
 - **Vendor:** Enter Vendor Name
 - **Basic Health Option:** Determining eligibility and coordinating enrollment for Washington citizens in the Federal Basic Health Option is within the scope of this RFP. The Federal Basic Health Option is a program that provides an additional low-cost health care coverage alternative for individuals who are between 133% and 200% of the Federal Poverty Limit. The Authority requests vendors to provide the estimated cost for the Basic Health program.
 - **Enrollment Transactions for Qualified Health Plans:** Generating enrollment transactions for Qualified Health Plans (non Medicaid/CHIP/Basic Health) is within the scope of the RFP. The Authority requests vendors to provide the estimated cost for generating enrollment transactions for the Qualified Health Plans.
 - **Optional Exchange Eligibility Services:** As defined in Appendix P, the Authority may request the Vendor to develop the required Exchange Eligibility Services

All other cells on this worksheet are locked and are completed by formulas that reference the other worksheets.

- **O&M Costs:** Enter a list of proposed monthly deliverables and costs for the O&M services to be provided by the Vendor
- **CR Hourly Costs:** Enter the Role Name and Loaded Hourly Cost for the Vendor staff roles to be provided for the Exchange Project. At a minimum, this must contain all the key staff positions identified in Appendix A, Section 4.4.3.4
- **Enhancement Hourly Costs:** Enter the Role Name and Loaded Hourly Cost for the Vendor staff roles to be provided during the O&M period for Exchange system enhancements.
- **Infra – Project:** Enter the description of Hardware and Software components to be provided for the development of the Exchange, their unit costs and number of units to be provided for the five named environments (Development, System & Integration Test, Training, User Acceptance Test, and Production)

- **Infra – O&M:** Enter the description of Hardware and Software components to be provided for the Operations and Maintenance of the Exchange, their unit costs and number of units to be provided for the four named environments (Development, System & Integration Test, User Acceptance Test, and Production)
- **Worksheets 1 – Plan Mgmt to 7 – Administration:** These worksheets are provided for the Vendor to enter details concerning the main functionality breakdown of the Exchange and show estimated effort hours and cost. Two standard entries are provided:
 - **Exchange Web Portal / User Experience:** Enter estimated effort hours do design, develop, test and document the user interface for the functionality.
 - **Functionality:** Enter effort hours and costs for the functionality or break it down into sub-functions and enter effort hours and costs per line item.

At a minimum, the vendor must enter one detail line containing the total cost for that functional area. The Authority prefers that the Vendors subdivide the main functionality into discrete pieces and provide both effort hours and cost.

6.3.2 Software and Equipment Costs

The Vendor must list all Software and Equipment necessary, and all associated costs to develop, test, and operate the Project. Equipment will include all servers, switches, racks, telecommunications, or any other equipment that will be used in the Exchange system. Software must include software used to support ongoing operations and maintenance initial costs and one-year maintenance/licensing costs. Vendors must submit Appendix K: Financial Response (Software and Equipment).

6.3.3 Operations and Maintenance

The Vendor must propose one (1) year of operations and maintenance of the Exchange. The cost for the one (1) year of Operations and Maintenance will be included in the cost evaluation of the Vendor’s proposal.

At the option of the Authority, the contract resulting from this RFP for the Operations and Maintenance Services may be extended, on an annual basis, for up to six (6), one (1) year additional terms . The cost for each additional term shall be at the cost specified in the Vendor’s proposal, adjusted annually by the “CONSUMER PRICE INDEX, SEATTLE AREA.”

6.3.4 Total Cost of Project

The total cost of the Project is a summation of the above calculations. Vendors must submit Appendix K: Financial Response.

Vendors must supply supporting documentation for the deliverables and total Project cost.

6.4 (MS) Optional Tasks

This RFP includes optional tasks for which the Authority may choose to contract.

Proposals must include:

- Hourly rates for Pre-Implementation Change Requests (at multiple rates depending on the type of developer);
- Hourly rates for Post-Implementation Enhancement Requests; and
- Hourly rates and projected hours for post-Warranty Period Enhancement activity to maintain the Exchange at the levels indicated in Section 0 Warranty Period Service Levels.
- Hourly rates should include all Vendor activity, including management, for each activity.

SECTION 7

7 EVALUATION PROCESS

7.1 Overview

The solicitation and selection process will be staged:

- Vendors will submit Proposals in response to the requirements listed in this Request for Proposal.
- Mandatory Requirements (M) and Mandatory Scored Requirements (MS) will be screened for completeness. Proposals that fail to meet any Mandatory Requirements will be eliminated from further consideration.
- Mandatory Scored Requirements (MS) and Desirable Scored Requirements (DS) will be scored.
- The Vendors receiving the highest scores will be invited to present and demonstrate their solutions for the Exchange PROJECT and demonstrate their capabilities to meet the Authority's Exchange needs.
- The finalist candidates may be requested to submit a "Best and Final Offer" per RFP subsection 3.20
- An Apparently Successful Vendor (ASV) will be selected from among the finalists making presentations and demonstrations.
- The Authority will negotiate a contract with the ASV.

7.2 Administrative Screening

Proposals will be reviewed initially by the RFP Coordinator to determine on a pass/fail basis compliance with administrative requirements as specified in *Section 3: Administrative Requirements*. Evaluation teams will only evaluate Proposals meeting all administrative requirements.

7.3 Mandatory Requirements

Proposals meeting all of the administrative requirements will be reviewed on a pass/fail basis to determine if the Proposal meets the Mandatory requirements (Sections 4: Vendor Requirements; Section 5: Exchange Requirements; and Section 6: Financial Proposal and Appendix A: Vendor Organizational Capabilities, Appendix B: Project Management Requirements, Appendix C: Business/Functional Requirements, Appendix D: Technology Requirements, Appendix P: Eligibility Service Requirements, Appendix K: Financial Response). Only Proposals meeting all Mandatory requirements will be further evaluated.

The Authority reserves the right to determine at its sole discretion whether Vendor's response to Mandatory requirements is sufficient to pass. If, however, all responding Vendors fail to meet any single Mandatory item, the Authority reserves the following options: (1) cancel the procurement, or (2) revise or delete the Mandatory item.

7.4 Qualitative Review and Scoring

Only Proposals that pass the administrative screening and Mandatory requirements review will be evaluated and scored based on responses to the scored requirements in the RFP. Proposals receiving a "0" on any Mandatory Scored (**MS**) element(s) will be disqualified.

7.4.1 Vendor Client References

The RFP Coordinator should receive all Reference forms on or before the time and date of “Vendor Proposals Due” (reference RFP Schedule; Section 2). If more than three customer references are received, only three selected by the RFP Coordinator shall be considered during proposal evaluation. The Vendor Client References (Section 4.8) will be worth 50 points or 5 percent of the total points awarded in the scoring of the proposals.

The RFP Coordinator will assign scores for each set of Vendor references based on the following:

- The Vendor receiving the highest number of points will receive a score of 50.
- Other Vendors will receive a score based on the following formula:
Vendor Score = (Vendor Points ÷ Highest Vendor Points) X 50

7.4.2 Administrative ,Project Management, Business/Functional and Technology Scored Requirements (MS, DS) Evaluation

Scored Requirements will be worth a total of 750 points or 75 percent of the total points awarded in the scoring of the proposals. Vendors will be evaluated on each Mandatory and Desirable Scored Requirement in previous sections of this document and in Appendix B: Project Management Requirements; Appendix C: Business/Functional Requirements and; Appendix D: Technology Requirements. Evaluators will assign points to each Mandatory and Desirable Scored requirement based on the effectiveness and completeness of the Proposal to each requirement.

Total points will be summed for each of the four requirements sections. The Evaluation teams will assign scores for each of these sections (Vendor Requirements; Project Management Requirements; Business/Functional Requirements; Technology Requirements) based on the following:

- The Vendor receiving the highest number of points for Vendor Requirements will receive a score of 150.
- The Vendor receiving the highest number of points for Project Management Requirements will receive a score of 200.
- The Vendor receiving the highest number of points for Business/Functional Requirements will receive a score of 200.
- The Vendor receiving the highest number of points for Technology Requirements will receive a score of 200.

Other Vendors in each of the four requirements sections will receive a score based on the following formula:

$$\text{Vendor Score} = (\text{Vendor Points} \div \text{Highest Vendor Points}) \times \text{score for the section (e.g., 150 for Vendor Requirements)}.$$

A score of zero by all evaluators on any Mandatory Scored Requirement will result in the Proposal being disqualified.

7.4.3 Financial Proposal Evaluation

The Financial Proposal will be worth 200 points or 20 percent of the total points awarded in the scoring of the proposals. The proposal will be evaluated based on Vendor’s realistic pricing approach.

Vendor Price:

- The Financial Evaluation Team will score the Vendor’s price for fixed-price deliverables and change request pricing, where:
 - The Vendor submitting the lowest Total Cost of Project will receive a score of 160.

- The Vendor submitting the lowest Change Request Evaluation Pricing will receive a score of 40. For calculation purposes, this will be based on the following:
 - 500 hours of project management services
 - 500 technical system architect services
 - 1000 hours of business analysis services
 - 3000 hours of developer services

It should be noted that these four positions are predefined in the CR Hourly Costs worksheet.

- On both items, other Vendors will receive a score based on the following formula:

$$\text{Vendor Score} = (\text{Lowest Vendor Price} \div \text{Vendor Price}) \times \text{maximum score for the item}$$

7.5 Vendor Total Score

The Vendor Total Score will be calculated as follows:

| Evaluation Category | Score |
|----------------------------------|--------------|
| Vendor Requirements (Section 4) | 150 |
| Vendor References | 50 |
| Project Management Requirements | 200 |
| Business/Functional Requirements | 200 |
| Technology Requirements | 200 |
| Financial Proposal | 200 |
| Total Score | 1,000 |

7.6 Oral Presentations/Demonstrations, Section of Apparently Successful Vendor

The Authority, after evaluating the written proposals, will schedule oral presentations/demonstrations for at a minimum the top three (3)* scoring finalists. The RFP Coordinator will notify finalists of the date, time and location of the oral presentation and demonstration. The dates in *Section 2: Schedule* are subject to change at the discretion of the Authority.

The Vendors making oral presentations and demonstrations will be grouped into an unranked pool of finalists. After the oral presentations/demonstrations, vendors will be ranked based on the overall quality of their oral presentations/demonstrations. Unless the Authority determines a “Best and Final Offer” process is necessary, the Authority will name the Vendor ranked first as the Apparently Successful Vendor .

*The Authority reserves the right to increase the number of finalists if the scores are so close together so as to create a cluster of more than three at the top of the scoring range.

7.7 Contracting Process

The Authority will enter into contract negotiations with the ASV. An ASV will be expected to execute the Contract within ten (10) Business Days of its receipt of a final Contract from HCA. If a selected Vendor fails to sign the Contract within the allotted ten (10) day time frame, HCA may declare negotiations at an impasse, elect to cancel the award, and award the Contract to the next ranked Vendor, or cancel or reissue this solicitation (see Subsection 3.17, Right to Cancel). Vendor's submission of a Proposal to this solicitation constitutes acceptance of these contract requirements. This process will continue until a Contract is signed, no qualified Vendors remain, or the Authority elects to cancel or reissue the solicitation.

The agreed-upon contract is subject to State and federal approval.