

STATE OF ALASKA REQUEST FOR PROPOSALS



PHARMACY BENEFIT MANAGEMENT (PBM) SERVICES

RFP 180000053

Issued January 22, 2018

ISSUED BY:

DEPARTMENT OF ADMINISTRATION
DIVISION OF RETIREMENT AND BENEFITS

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OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

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SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

The Department of Administration, Division of Division of Retirement and Benefits, is soliciting proposals from qualified and experienced firms to provide statewide services for Pharmacy Benefit Management (PBM). The services are administrative only services for the state’s self-funded Prescription Drug Plan for both its active and non-Medicare-eligible membership (commercial plan) and for its enhanced Medicare-eligible EGWP population.

SEC. 1.02 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **2:00 p.m.**, Alaska Time, on **March 15, 2018**. See Section 1.07 for further instructions.

SEC. 1.03 RFP SCHEDULE

The RFP schedule set out herein represents the state’s best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted accordingly. All times are Alaska Time.

ACTIVITY	TIME	DATE
Issue Date / Draft RFP Released		1/22/18
Educational Meeting	10:00 am	1/29/18
Draft RFP Period Ends		2/1/18
Pre-Proposal Conference and Second Educational Meeting	2:00 pm	2/6/18
Deadline to Submit Questions	4:30 pm	2/27/18
Deadline for Receipt of Proposals / Proposal Due Date	2:00 pm	3/15/18
Initial Evaluations and Proposal Analysis		3/16/18
Present Financial Analysis (Segal) to Procurement		4/17/18
Present Proposal Analysis (Segal) to State		4/17/18
Shortlisting (optional)		4/18/18
Interviews	TBD	5/1/18
Clarification Period Begins		5/4/18
Notice of Intent to Award		6/15/18
Contract Issued		6/25/18
Start Date		6/26/18

The first 10 days after the RFP is released will be considered a draft RFP period. Offerors should submit any initial questions or concerns about the RFP to the contracting officer in writing during this time.

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of the Department of Administration, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state or prior to a fully signed contract.

SEC. 1.04 EDUCATIONAL AND PRE-PROPOSAL CONFERENCES

An educational meeting will be held at **10:00 a.m.** Alaska Time on **January 29, 2018**. The meeting will be held via webinar and will be an introduction to the RFP process being used for this procurement.

Webinar link:

<https://stateofalaska.webex.com/stateofalaska/j.php?MTID=maafdbbf09f570c6fd073328ab2604e26>

Call-in number: (907) 269-3000

Meeting ID: 800 060 289

An in-person pre-proposal conference and second educational meeting will be held in Juneau at **2:00 p.m.** Alaska Time on **February 6, 2018**, to discuss the RFP with prospective offerors, allow them to ask questions concerning the RFP, and to provide a thorough education on the RFP process being used. To obtain the greatest benefit of this meeting, offerors are strongly encouraged to send their direct supervisory personnel/critical project team members (in lieu of executives, business development, or sales personnel).

Offerors should read the RFP in full and come to the meeting prepared to discuss any questions or concerns. Offerors with a disability needing accommodation should contact the contracting officer prior to the date set for the pre-proposal conference so that reasonable accommodation can be made. The meeting will be held at the following location:

Building: **University of Alaska Southeast**

Address: **12300 Mendenhall Loop Rd., Room 116**

Parking is available onsite. If parking becomes unavailable, you may park at the UAS main campus, 11120 Glacier Hwy, and it is a short walk to shuttle ride to the Recreation Center. Offeror representatives who wish to participate over the phone may dial into the conference at **(800) 315-6338 Access Code 05024**. Note that the conference may be recorded.

SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the contracting officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the contracting officer, in writing, at least ten days before the deadline for receipt of proposals.

SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the contracting officer. The interested party must confirm telephone conversations in writing. Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The contracting officer will make that decision.

SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit their proposals via email to doa.dgs.info@alaska.gov prior to the deadline for receipt of proposals. Emails must contain the RFP number in the subject line of the email.

The **maximum** size of a single email (including all text and attachments) that can be received by the state is **20mb (megabytes)**. If the email containing the proposal exceeds this size, the proposal must be sent in multiple emails that are each less than 20mb. It is the offeror's responsibility to contact the above email address or (907) 465-2250 to confirm that the proposal has been received. The state is not responsible for unreadable, corrupt, or missing attachments.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals will not be opened or accepted for evaluation.

SEC. 1.08 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the contracting officer no later than ten days prior to the deadline for receipt of proposals.

SEC. 1.09 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

SEC. 1.10 AMENDMENTS TO THE RFP

If an amendment is issued before the deadline for receipt of proposals, it will be provided to all who notified of the RFP and to those who have registered with the contracting officer after receiving the RFP from the State of Alaska Online Public Notice web site.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

SEC. 1.11 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation. In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

SEC. 1.12 NEWS RELEASES

News releases related to this RFP will not be made without prior approval of the project director or contracting officer.

SECTION 2. BACKGROUND INFORMATION

SEC. 2.01 ABOUT THE DIVISION

The Division of Retirement and Benefits (DRB) manages the State of Alaska's retirement systems and health benefit plans. The Division's scope of work includes serving as the point of contact for administrative, legal, legislative, and procedural issues regarding the management of the state-sponsored health plans. Currently the Division internally handles some of the work related to customer service, benefits processing, counseling and appeals.

The Department of Administration's commissioner is the plan administrator but delegates policy development and the operation of state-sponsored health benefit plans to the Division's health team. This team is comprised of a Division Director, Chief Health Policy Administrator, Chief Health Operations Official, and support staff.

The State of Alaska provides employee health benefit plans to: (1) a portion of state employees; (2) defined benefit retired employees of the state and its political subdivisions; and (3) defined contribution retired employees of the state and its political subdivisions. The plans have different provisions and funding structures, but the state's group health plans are self-funded. Benefits for most active state employees are subject to collective bargaining agreements. The Commissioner of Administration is the plan administrator.

SEC. 2.02 ABOUT THE EXISTING PBM SERVICES

The current PBM contract has been in place since January 1, 2014. The duties include:

- Claims Adjudication
- Pricing Administration
- Integrate with other vendors (e.g. Disease Management, Medical, Data Warehouse Vendors, etc.), if applicable
- Eligibility Maintenance
- Paper Claims Submission – Include Process for Compounded Drugs and Foreign Claims
- Online Access Capabilities – Include Prior Authorization and Override Entries
- Coordination of Benefits and Subrogation support services
- Comprehensive IT capabilities including Access to Claims History – with Denial Reasons
- Discount Programs for Non-Covered Drugs or Cash Claims (no Pharmacy Benefit)
- Clinical programs including Patient and Provider Education, clinical support, Prospective, Concurrent, and Retrospective Drug Utilization Review, and medication compliance enhancement
- Network Pharmacy Management
- Formulary Management and Rebate Sharing
- Data Reporting (standard and ad-hoc reporting)
- Distribution of ID Cards and Pharmacy Directories
- Mail Service Pharmacy - Includes Optional Auto-Renewal and Auto-Refill Programs
- Specialty Pharmacy Program
- Member Services: Include Claims Resolution, Claims Appeals, Clinical Support and Patient and Provider Education, Website with membership portal
- State Services – Dedicated or Designated Account Management and CSR telephonic support, Problem-Solving Team with Access to Call Logs and Historical Claims Data
- Medicare Part D and Retiree Drug Subsidy administrative services – Include Access to an Online System providing Covered Participants and Dependents with a Designated Contact for Issue Resolution and Reconciliation
- Coordination with HRA Administrator

Different aspects of the service are provided in different geographical areas, but all services are provided in the United States.

SEC. 2.03 FINANCIAL STRUCTURE/MODEL

The state is currently under a contract with traditional pricing terms with 100% rebate pass-through/transparent pricing terms.

SEC. 2.04 CURRENT PLAN FEATURES AND COVERAGE

The state administers three self-funded separate pharmacy benefit plans, and seeks to add an employer group waiver plan for Medicare eligible retirees. The employee and defined contribution plans have the same non-preventive member cost share provisions, limitations and exclusions. However, Medicare eligible retirees and dependents in the defined contribution retiree plan benefits are not provided first dollar preventive benefits. The third plan, the defined benefit retiree plan, varies greatly from the other two. For example, the defined benefit retiree plan covers contraceptives, but does not cover other ACA defined preventive drugs. The defined benefit plan also covers medication that is excluded under our other plans, such as bulk chemical compounds and prescriptions with an over-the counter equivalent.

Full details on the employee plan can be found in the summary of plan benefits available online at:

<http://doa.alaska.gov/dr/alaskacare/employee/publications/booklet.html>

The summary of plan benefits available under the defined contribution retirement plan is available online at:

<http://doa.alaska.gov/dr/pdf/ghlb/retiree/AlaskaDcrRetireeHealthPlan-Final-0118.pdf>.

The key member cost share benefits for the employees and defined contribution retirees are summarized below:

ALASKACARE 2018 PHARMACY PLAN SUMMARIES			
Prescription Tier	Coinsurance	Min. Covered Person Payment	Max. Covered Person Payment
Retail 30 Day at Network Pharmacy			
Generic prescription drug	80%	\$10	\$50
Preferred brand-name prescription drug	75%	\$25	\$75
Non-preferred brand-name prescription drug	65%	\$80	\$150
Mail Order 31-90 Day at Network Pharmacy			
Prescription Tier	Copayment		
Generic prescription drug	\$20		
Preferred brand-name prescription drug	\$50		
Non-preferred brand-name prescription drug	\$100		
Out-of-Network Pharmacy			
Coinsurance for all prescription drugs	60%		
Out-of-Pocket Limit			
Annual individual out-of-pocket limit	\$1,000		
Annual family out-of-pocket limit	\$2,000		
Effective: Jan. 1 - Dec. 31, 2018			

The defined benefit retiree plan details can be found in the summary of plan benefits booklet available online at:

<http://doa.alaska.gov/dr/alaskacare/retiree/publications/booklets.html>

The key member cost share benefits for defined benefit retirees are summarized below:

b. Prescription Drug Schedule

	Generic up to 90 Day or 100 Unit Supply	Brand Name up to 90 Day or 100 Unit Supply
Network pharmacy copayment	\$4	\$8
Mail order copayment	\$0	\$0
Supply Limit		
Depo-Provera (injectable contraceptive)	5 vials per benefit year	

Other Major Plan Features:

- The state currently has a broad retail network that covers all major retail networks and is seeking a similar broad retail network that covers all major retail networks as well as key Alaskan independent pharmacies for its upcoming contract.
- The state currently has an Open Specialty Arrangement that allows fills at any participating retail pharmacies.
- The state currently offers coverage in the employee and defined contribution retiree plans of the following ACA defined preventive drugs in the active plan with zero-member copays, when obtained at network pharmacy:
 - ✓ Aspirin: Benefits are available to adults.
 - ✓ Oral Fluoride Supplements: Benefits are available to children whose primary water source is deficient in fluoride.
 - ✓ Folic Acid Supplements: Benefits are available to adult females planning to become pregnant or capable of pregnancy.
 - ✓ Iron Supplements - benefits are available to children without symptoms of iron deficiency. Coverage is limited to children who are at increased risk for iron deficiency anemia.
 - ✓ Vitamin D Supplements: Benefits are available to adults to promote calcium absorption and bone growth in their bodies.
 - ✓ Risk-Reducing Breast Cancer Prescription Drugs - covered expenses include charges incurred for generic prescription drugs prescribed by a physician for a woman who is at increased risk for breast cancer and is at low risk for adverse medication side effects.
 - ✓ FDA-approved prescription drugs and over-the-counter (OTC) drugs to help stop the use of tobacco products.
 - ✓ Female generic contraceptive prescription drugs or devices.
 - ✓ FDA-approved female generic emergency contraceptives.
 - ✓ Low to moderate dose statins.
- Although excluded from the employee and defined contribution retirement pharmacy benefits, the state currently covers bulk chemical compound prescriptions and prescription drugs with an over the counter equivalent in the defined benefit retiree plan.
- There is a high volume of members covered under one or more AlaskaCare plans as the member and a dependent, requiring coordination of benefits between the plans.
- There is a high volume of members covered under one or more of their own AlaskaCare plans (i.e. active plan and retiree plan, or more than one retiree plan coverage), requiring coordination between the plans.

SEC. 2.05 ALASKACARE

AlaskaCare are the health plans administered through the state. These plans are provided in accordance with Alaska Statute to a subset of state employees, and to public employees, teachers, and judicial officers of the state and political subdivisions who are eligible for retiree health benefits. The coverage provided is good worldwide.

The retirement health benefits fall into two major categories, those of the defined benefit retirement plan (members who entered the retirement system prior to July 1, 2006), and the defined contribution retirement plan (members who entered the retirement system on or after July 1, 2006). The defined benefit retiree plan is an older plan design and has not been substantially updated since 2000. The defined contribution retirement medical plan was implemented in 2016, and currently has under 24 members. The state currently receives subsidies through CMS Retiree Drug Subsidy program, but is looking to implement an employer group waiver program in both retiree health plans.

There is a union labor/management committee that provide recommendations to the plan administrator for changes to the employee plan, and there is a newly established Retiree Health Plan Advisory Board to provide recommendations to the plan administrator related to the retiree health plans.

The AlaskaCare plans have many members who are covered by more than one AlaskaCare plan. This can be through coverage as a member and a dependent of their spouse, or through two of their own plans (i.e. employee plan and retiree plan, or two retirement plan benefits). The active and defined benefit plan allow coordination of benefits up to 100% of the allowed charge, and require the ability to coordinate at point of sale. The defined contribution plan has a government carve out type coordination of benefits, where AlaskaCare applies the coinsurance calculation to the amount not covered by the primary plan.

SEC. 2.06 HISTORICAL FACTS AND FIGURES

Summary of Services (from August 2016 – September 2017)

DESCRIPTION	EMPLOYEE PLAN	DEFINED BENEFIT RETIREE PLAN	DEFINED CONTRIBUTION RETIREE PLAN	TOTAL
Members	16,539	71,641	22	88,202
Annual Number of Paid Prescription Claims	103,233	1,353,242	Not Available	1,456,475
Total Drug Spend	\$16.2 Million	\$228.3 Million	Not Available	\$244.5 Million
Mail Order Utilization	6.6%	12.7%	Not Available	
Generic Utilization	82.5%	80.8%	Not Available	
Medicare Eligible	N/A	67%	86%	

SEC. 2.07 STRENGTHS AND OPPORTUNITIES

(a) STRENGTHS

- The state currently has a broad retail network that covers all major retail networks and is seeking a similar broad retail network that covers all major retail networks for its upcoming contract.

(b) OPPORTUNITIES

- The state is seeking a vendor to provide excellent customer service, and provide a service that will “take the member out of the middle.”
- The state would like to see increased transparency and communication around MAC pricing.
- The state is seeking a vendor with the ability to make real-time benefit coverage determinations for Part B and Part D drugs to ensure timely routing to the appropriate payor.

- The state would like to explore innovative specialty management strategies without limitations such as an exclusive network.
- The state is seeking a vendor that can implement network management strategies with aggressive pricing, without restriction of the network.
- The state is seeking a vendor with enhanced EGWP expertise and capabilities to deal with complex member issues.

SEC. 2.08 BACKGROUND ON CLINICAL PROGRAMS AND INITIATIVES

Current pharmacy programs include pre-authorizations, evidence-based clinical policies, analysis of individual's prescription drug claims to identify opportunities to improve care, prevent misuse and reduce waste. Includes alerts to providers of possible drug-to-drug interactions, duplication in therapy or other serious issues.

SEC. 2.09 EXISTING CHALLENGES

The rising cost of pharmaceutical drugs is a significant challenge for the AlaskaCare Plan. Not only are there more specialty drugs emerging but they are increasing in cost and use. See section 3.07 for other unique operating and location considerations.

A technical challenge includes the issue of administering coordinated benefits to a member that might be covered by multiple plans within AlaskaCare, but reported under one unique identifier (i.e. Social Security Number).

SECTION 3.SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 SUMMARY

The state, is soliciting proposals from qualified and experienced firms to provide PBM services to the AlaskaCare employee and retiree health plans. With the issuance of this RFP, the state is focusing on providing exceptional customer service coupled with reduced costs for members and the plan while improving overall value. This RFP provides an opportunity for offerors to showcase what they bring to the table plus demonstrate leadership in these areas. We encourage offerors to demonstrate a strong customer service component and show how they can achieve significant and lasting cost reductions for the state while maintaining quality benefits. Accurate, consistent, timely, and comprehensive management reporting is also critically important.

The state seeks to replicate the current plan design for the Commercial benefit and to move Medicare eligible retirees to an enhanced EGWP benefit. The enhanced EGWP will be designed to ensure that from a member perspective, the Medicare eligible retiree benefits mirror those of the current commercial plan design.

SEC. 3.02 GOALS AND OBJECTIVES

The critical goals and objectives of these services are:

- Providing high-quality, exceptional customer service that will “take the member out of the middle.”
- Providing fiscally sustainable, high-quality benefits.
- Providing transparency in pricing and fees structures.
- Ensuring the use of evidence-based guidelines in clinical determinations.
- Strong support and demonstrated flexibility to support plan changes or initiatives including implementation of a Medicare Part D enhanced EGWP.
- Providing high accuracy in claims processing.
- Demonstrated ability to manage drug mix with an emphasis on specialty drug management, formulary management and generic drug utilization (ability to identify, dispense and track utilization of authorized generics).
- Supporting the state in identifying, recommending and implementing innovative quality-oriented claims administration processes and procedures to achieve state objectives, reduce costs, and improve quality of service.
- Providing effective tools and resources to support members in managing their health.
- Providing seamless implementation for state and its members.
- Coordinating clinical management with the medical administrator, wellness and disease management vendor, and any other vendor or administrator contracted by the state.
- Increased transparency and communication around MAC pricing.
- Making real-time benefit coverage determinations for Part B and Part D drugs to ensure timely routing to the appropriate payor.
- Exploring innovative specialty management strategies without limitations such as an exclusive network.
- Implementing network management strategies with aggressive pricing, without restriction of the network.
- Enhanced EGWP expertise and capabilities to deal with complex member issues.

SEC. 3.03 MAJOR DELIVERABLES

The awarded offeror will be required to provide, perform, or deliver the following (including but not limited to):

1. Pharmacy Benefit Management services.
2. Exceptional customer service, preferable through a dedicated customer/member service unit with CSR telephonic support, problem-solving team with access to call logs and historical claims data.

3. Competitive financial arrangement and guaranteed pricing terms.
4. Transparent and concise contract language that accurately reflects all responses provided in the RFP.
5. Proactive, flexible, and expert support for all clinical programs including full disclosure of cost and rebate implications.
6. Claims adjudication.
7. Pricing administration.
8. Integrated PBM services with other vendors (e.g. disease management, medical, data warehouse vendors, etc.), if applicable.
9. Comprehensive collection, and utilization of data to inform and guide policy and plan design decisions.
10. Eligibility maintenance.
11. Paper claims submission – include process for compounded drugs and foreign claims.
12. Online access capabilities – include prior authorization and override entries.
13. Coordination of benefits and subrogation support services.
14. Comprehensive IT capabilities including access to claims history – with denial reasons.
15. Discount programs for non-covered drugs or cash claims (no pharmacy benefit).
16. Clinical programs including patient and provider education, clinical support, prospective, concurrent, and retrospective drug utilization review, and medication compliance enhancement.
17. Robust process for tracking and monitoring fraud/abuse.
18. Network pharmacy management.
19. Formulary management and rebate sharing.
20. Data reporting (standard and ad-hoc reporting).
21. Distribution of ID cards and pharmacy directories - include web link to online directories.
22. Mail service pharmacy - include optional auto-refill program.
23. Specialty pharmacy program.
24. Member Services: include claims resolution, claims appeals, clinical support and patient and provider education, website with membership portal, and decision support tools.
25. Contract with external review organizations to review clinical appeals.
26. State Services – dedicated or designated account management.
27. Medicare Part D and Retiree Drug Subsidy administrative services – include access to an online system providing covered participants and dependents with a designated contact for issue resolution and reconciliation.
28. Enhanced EGWP for Medicare eligible retirees.
29. Adherence to CMS enhanced EGWP guidelines.
30. Coordination with Health Reimbursement Arrangement Administrator.
31. Coordination with TPA.
32. Coverage of members in the same household in enhanced EGWP/Commercial plans based on a member’s individual eligibility.
33. Support point of sale adjudication and coordinate benefits for members who are simultaneously covered under more than one AlaskaCare plan.

SEC. 3.04 MANDATORY REQUIREMENTS

The mandatory requirements for this contract are provided in Submittal Form F – Mandatory Requirements. The offeror must meet all of these requirements. Failure to meet all mandatory requirements will result in immediate disqualification.

SEC. 3.05 CONTRACTUAL REQUIREMENTS

The state’s contractual requirements are provided in Submittal Form G – Contractual Requirements. The form is for the offeror to confirm if they can or cannot meet each contractual requirement listed in the form. Space is provided to explain “no” responses.

SEC. 3.06 CONTRACT TERM AND WORK SCHEDULE

The length of the contract will be for an initial period of three years beginning January 1, 2019, with eight additional one-year renewal options. Renewals will be exercised at the sole discretion of the state.

Unless otherwise provided in this RFP, the state and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

SEC. 3.07 UNIQUE CONSIDERATIONS

The AlaskaCare members can earn multiple retiree health plan benefits. This results in a member having two or more of their own coverage plans under the AlaskaCare retiree plan, as well as coverage as dependent if they are married to another retiree or State of Alaska employee. This requires the AlaskaCare plan to customize plan coordination to address the multiple plans for a single member.

The AlaskaCare membership is spread throughout Alaska from our main population hubs of Anchorage and Fairbanks to small villages of less than 100 residents. Only 20% of Alaska is accessible by road, and due to Alaska's size, even communities connected by roads can still be 8 or more hours drive away.

Due to the extremely rugged, mountainous nature of Southeastern Alaska, almost all communities (with the exception of Hyder, Skagway, and Haines) have no road connections outside of their locale, so aircraft and boats are the major means of transport. This includes Juneau, the state's capital and the third largest concentration center of AlaskaCare members.

There are members who live in rural locations, and commercial airlines do not provide service to most of these areas.

There can be extreme weather conditions which can hinder travel and mail order delivery. Mail order pharmacy deliveries may require special packaging.

Alaska is in its own time zone. Member contact centers will need to provide service based on Alaska Standard Time.

In addition, approximately 40% of the retiree population live outside of Alaska, including some who live abroad.

SEC. 3.08 STATE OF ALASKA ROLES AND RESPONSIBILITIES

State is responsible for the plan, its operation, and the benefits provided thereunder. The state has the sole and complete authority to determine eligibility of persons to participate in the plan. The state is responsible to supply the PBM in writing or by electronic medium acceptable to the PBM all information regarding the eligibility of individuals identified as plan participants under the plan, including but not limited to the identification of dependents under the plan, and shall notify PBM of any changes in eligibility.

All administrative appeals identified in the plan documents beyond Level I and Level II/External Review shall be administered by the state which retains the status as the final fiduciary for appeals of adverse benefit determinations.

The state is responsible for reimbursement of all benefit payments which have been paid by PBM on behalf of the state on or before the termination date or that relate to runoff claims.

The state is responsible for satisfying any and all plan reporting and disclosure requirements imposed by law, including updating the Plan to reflect any changes in benefits.

Under PPACA the state is responsible to provide additional reports and disclosures to federal agencies and employees, including, without limitation: Uniform notices of coverage requirements under Section 2715 of the PHSA; information to the Secretary of Health and Human Services (the "Secretary") regarding claims data and policies, financial information, information to the Secretary on denied claims, and other information under Section 2715A of the PHSA; information to the Secretary relating to provider reimbursement structures that improve quality of care, including wellness and health promotion activities under Section 2717 of the PHSA; notices to employees regarding state based health insurance exchanges and information related to the Plan under Section 18B of the Fair Labor Standards Act; and information to the Internal Revenue Service and employees related to the employees covered under the Plan, Plan premiums, and other Plan information under Sections 6055 and 6056 of the Internal Revenue Code.

SEC. 3.09 LOCATION OF WORK

The location the work is to be performed, completed and managed is the United States. The state will not provide workspace for the contractor.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the contracting officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals. The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the state to reject the proposal as non-responsive, or cancel the contract.

SEC. 3.10 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Commissioner of the Department of Administration or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract. The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

SEC. 3.11 PROPOSED PAYMENT PROCEDURES

The state will make payments based on a negotiated payment schedule. This schedule will be negotiated during the clarification period (reference RFP Section 5.20).

SEC. 3.12 THIRD PARTY SERVICE PROVIDERS

The contractor must provide, on an annual basis, a Type 2 Statement on Standards for Attestation Engagements (SSAE) SOC 2 report. Failure to provide this report may be treated as a material breach and may be a basis for a finding of default.

SEC. 3.13 SUBCONTRACTORS

U.S. based subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must complete Submittal Form J – Subcontractors, provided as an attachment to the RFP.

Subcontractor experience shall not be considered in determining whether the offeror meets the requirements set forth in Submittal Form F – Mandatory Requirements.

An offeror's failure to provide this information with their proposal may cause the state to consider their proposal non-responsive and reject it.

During the Clarification Period (RFP Section 5.20), the state will require a signed written statement from each subcontractor proposed in Submittal Form J – Subcontractors that clearly verifies the subcontractor is committed to performing the services required by the contract. Prior to the contract award, the state will also require evidence that each subcontractor possesses a valid Alaska Business License.

During the course of the contract, the substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director or contracting officer.

SEC. 3.14 JOINT VENTURES

Joint ventures are acceptable. If submitting a proposal as a joint venture, the offeror must submit a copy of the joint venture agreement which identifies the principals involved and their rights and responsibilities regarding performance and payment.

SEC. 3.15 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

SEC. 3.16 CONTRACT PERSONNEL

Any change of the project team members named in the proposal must be approved, in advance and in writing, by the project director or contracting officer. Personnel changes that are not approved by the state may be grounds for the state to terminate the contract.

SEC. 3.17 INSPECTION & MODIFICATION – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

SEC. 3.18 CONTRACT CHANGES – UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Administration or the Commissioner's designee.

SEC. 3.19 NONDISCLOSURE AND CONFIDENTIALITY

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information and provide any required remedies. Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure (to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the State, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

SEC. 3.20 INDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the state from and against any claim of, or liability for error, omission or negligent act of the contractor, its agents, or network pharmacies, under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the state. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the state, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "state", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

SEC. 3.21 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If

the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement with minimum coverage limits of \$5,000,000 per claim /annual aggregate.

SEC. 3.22 TERMINATION FOR DEFAULT

If the project director or contracting officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work. This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached along with this RFP.

SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 RFP SUBMITTAL FORMS

This RFP contains Submittal Forms, which must be completed by the offeror and submitted as their proposal. An electronic copy of form is posted along with this RFP. Offerors shall not re-create these forms, create their own forms, or edit the format structure of the forms unless permitted to do so. Do not exceed any page limits identified on the attachments. All attachment documents must be written in the English language, be single sided, and be single-spaced with a minimum font size of 10.

Unless otherwise specified in this RFP, the Submittal Forms shall be the offeror’s entire proposal. Do not include any marketing information in the proposal.

Any proposal that does not follow these requirements may be deemed non-responsive and rejected.

SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS

The offeror must ensure that their proposal meets all of the special formatting requirements identified in this section. This includes requirements regarding anonymity and maximum page limits.

Anonymity: Some Submittal Forms listed below must not contain any names that can be used to identify who the offeror is (such as company names, offeror name, company letterhead, personnel names, project names, subconsultant names, manufacturer or supplier names, or product names).

Page Limits: Some Submittal Forms listed below have maximum page limit requirements. Offerors must not exceed the maximum page limits. Note, the page limit applies to the front side of a page only (for example, ‘1 Page’ implies that the offeror can only provide a response on one side of a piece of paper).

Submittal Form	Anonymous Document	Maximum Page Limits
Submittal Form A – Offeror Information and Certifications		
Submittal Form B – Service Approach – Network Plan (Commercial)	YES	4
Submittal Form B – Service Approach – Network Plan (EGWP)	YES	4
Submittal Form B – Service Approach – Customer & Member Support	YES	4
Submittal Form B – Service Approach – Medicare Part D Enhanced EGWP	YES	4
Submittal Form C – Risk Assessment Plan – Controllable Risks	YES	2
Submittal Form C – Risk Assessment Plan – Non-Controllable Risks	YES	2
Submittal Form D – Value Opportunity Assessment	YES	2
Submittal Form E – Performance Qualifications		
Submittal Form F – Mandatory Requirements		
Submittal Form G – Contractual Requirements		
Submittal Form H – GeoAccess Analysis		
Submittal Form I – Network Disruption Analysis		
Submittal Form J – Subcontractors		
Submittal Form K – Fee Schedule		

Any Submittal Form that is being evaluated and does not follow these instructions may receive a ‘1’ score for the evaluated Submittal Form, or the entire response may be deemed non-responsive and rejected. The state also reserves the right, in its sole discretion, to modify a proposal to remove any minor information that may be non-compliant.

SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)

The offeror must complete and submit this Submittal Form. The form must be signed by an individual authorized to bind the offeror to the provisions of the RFP.

By signature on the form, the offeror certifies they comply with the following:

- a) the laws of the State of Alaska;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- e) all terms and conditions set out in this RFP;
- f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- g) that the offers will remain open and valid for at least 90 days; and
- h) that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

The Submittal Form also requests the following information:

- a. The complete name and address of offeror's firm along with the offeror's Tax ID.
- b. Information on the person the state should contact regarding the proposal.
- c. Names of critical team members/personnel
- d. Addenda acknowledgement
- e. Conflict of interest statement
- f. Alaska preference qualifications

An offeror's failure to address/respond/include these items may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

SEC. 4.04 SERVICE APPROACH (SUBMITTAL FORM B)

The offeror must complete and submit this Submittal Form. This document should demonstrate to the state that the offeror can visualize what they are going to do to successfully deliver this service. The service approach is separated into three major topics, which should summarize the following:

1. **Network Plan:** summarize the offeror's comprehensive network plan, operations, capabilities, and offerings, regarding retail, mail-order and specialty pharmacy networks for both a commercial plan and an enhanced EGWP plan.
2. **Customer and Member Support:** summarize the offeror's comprehensive customer service approach. This may include clinical and pharmacist support, advantages with the claims and appeals process, quality control procedures, and customer satisfaction.
3. **Medicare Part D Enhanced EGWP:** summarize the offeror's enhanced EGWP administrative capabilities. Provide any documented advantages to the program.

SPECIAL NOTE: The offeror must not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is, and cannot exceed the page limit (described in Section 4.02).

SEC. 4.05 RISK ASSESSMENT PLAN (SUBMITTAL FORM C)

The offeror must complete and submit this Submittal Form. The Risk Assessment Plan should address risks that may impact the successful delivery of this project, considering all expectations as described in this RFP. The offeror should list and prioritize major risk items that are unique and applicable to this project. This includes areas that may cause the project to not be completed on time, not finished within budget, generate any change orders, or may be a source of dissatisfaction for state. The offeror should rely on and use their experience and knowledge of completing similar projects to identify these potential risks.

Each risk should be described in non-technical terms and should contain enough information to describe to a reader why the risk is a valid risk. The offeror should also explain how it will avoid or minimize the risks from occurring. If the offeror has a unique method to minimize the risk, the offeror should explain it in non-technical terms. The Risk Assessment Plan gives the opportunity for the offeror to differentiate its capabilities based on its ability to visualize, understand, and minimize risk to the state and the risk to a successful outcome of the system. The offeror should categorize the 'risks' into the following definitions:

- a. **Assessment of Controllable Risks:** This includes risks, activities, or tasks that are controllable by the offeror, or by entities/individuals that are contracted to by the offeror. This includes things that are part of the technical scope of what the offeror is being hired to do. This may also include risks that have already been minimized before the project begins due to the offeror's expertise (i.e. risks that are no longer risks due to the offeror's expertise in delivering this type of project). All controllable risks and strategies to mitigate them must be included in the offeror's base proposal cost and schedule (if there are any impact at all).
- b. **Assessment of Non-Controllable Risks:** This includes risks, activities, or tasks that are not controllable by the offeror. This may include risks attributed by state, state personnel, parties hired by state, risks that are caused by other agencies, or completely uncontrollable risks. These can also be areas/risks that can contribute to contingency. Although these risks may not be controlled by the offeror, the offeror should identify a strategy that can be followed or used to mitigate these risks. All non-controllable risks and strategies to mitigate them must not be included in the offeror's base proposal cost or schedule.

Please use the following format when completing the Submittal Form:

- Risk = Title of the risk
- Description = A brief description of why the risk is a risk? Background of how the risk may impact the project/service if it occurs.
- Strategy = Strategy to prevent/minimize the risk from occurring, or strategy to minimize the impact of the risk if it occurs.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

SEC. 4.06 VALUE OPPORTUNITY ASSESSMENT (SUBMITTAL FORM D)

The offeror must complete and submit this Submittal Form. The purpose of the Value Opportunity Assessment is to provide offerors with an opportunity to identify any value-added options or ideas that may benefit state, the project, or the service. If the offeror can include more scope or service within the constraints of state, the offeror should provide an outline of potential value-added options. This may include ideas or suggestions on alternatives

in implementation timelines, project scope, project cost, goals, deliverables, methodologies, etc. Value-added ideas must not be included in the offeror's base cost proposal.

Please use the following format when completing the Submittal Form:

- Idea = Title of the idea/opportunity
- Description = A brief description of why the idea adds value to the client or service (what benefits or impacts the idea will bring in the short/long term). Do not make any reference to the proposed cost, but you may refer to the potential impact to the cost and schedule in terms of estimated percentages.

SPECIAL NOTE: The offeror must not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

SEC. 4.07 PERFORMANCE QUALIFICATIONS (SUBMITTAL FORM E)

The offeror will be required to collect Performance Qualifications (PQ) as outlined in this section. The offeror will be responsible for collecting customer satisfaction surveys from clients/departments/references (herein referred to as 'references') and submitting this information with their proposal. PQ surveys will be required for both the offeror and the Account Manager (listed in Submittal Form A).

Step 1) Identify who to survey:

- Identify a list of past references that will complete the surveys
- The offeror should survey references that are highly satisfied with their work
- The offeror should survey references that have similar requirements (as outlined in this RFP)
- The survey must be evaluated by the owner. The survey cannot be completed by any third-party representatives/consultants of the owner
- The offeror must submit at least one survey and no more than three surveys evaluating the account manager. The offeror must submit three surveys evaluating the offeror/firm.

Step 2) Preparing the surveys:

- The offeror is responsible for preparing the surveys.
- The survey questionnaire is separated into three different parts. In order to receive credit for a returned survey, the offeror shall provide all required information in Parts A and B on the survey.
- The offeror shall enter their company name / key personnel names (in Part A of the survey)
- The offeror shall enter background information about the project being evaluated (in Part B of the survey). All information is required. Failure to provide this information, or listing "n/a" or "confidential" may result in no credit for the survey.

Step 3) Distributing and collecting the surveys:

- Prior to distributing the surveys, the offeror should contact each reference to ensure that they are able and willing to complete the survey.
- The offeror should fax, email, mail, or deliver the survey to each reference.
- The offeror must modify the return information (located at the bottom of the survey) so the survey is returned to the offeror for collection.
- The reference must provide their customer satisfaction ratings and any general comments in Part C of the Survey. All returned surveys must be evaluated and signed by the reference. If a survey is not signed, it will not be considered.

- The state may contact the reference to clarify a survey rating, check for accuracy, or to obtain additional information. If the reference cannot be contacted, the survey may be deleted and no credit given for that reference.
- Returned surveys must be packaged together and submitted with the proposal.
- Failing to submit surveys will not disqualify an offeror, but may significantly impact the offeror's overall competitiveness (the offeror will be given a 1 rating for their PQ score).

SEC. 4.08 MANDATORY REQUIREMENTS (SUBMITTAL FORM F)

The offeror must complete and submit this Submittal Form. In order to be considered responsive, the offeror must acknowledge that they can meet all mandatory technical requirements identified in Submittal Form F. An offeror's failure to respond, or failure to meet these minimum prior experience requirements may cause their proposal to immediately be considered non-responsive and their proposal may be rejected.

SEC. 4.09 CONTRACTUAL REQUIREMENTS (SUBMITTAL FORM G)

The offeror must complete and submit this Submittal Form.

SEC. 4.10 GEOACCESS ANALYSIS (SUBMITTAL FORM H)

The offeror must complete and submit this Submittal Form.

SEC. 4.11 NETWORK DISRUPTION ANALYSIS (SUBMITTAL FORM I)

The offeror must complete and submit this Submittal Form.

SEC. 4.12 SUBCONTRACTORS (SUBMITTAL FORM J)

The offeror must complete and submit this Submittal Form.

SEC. 4.13 FEE SCHEDULE (SUBMITTAL FORM K)

The offeror must complete and submit this Submittal Form.

Proposed costs must all direct and indirect costs associated with the performance of the contract, including, but not limited to, total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, and profit.

SEC. 4.14 INTENT TO PROPOSE AND NON-DISCLOSURE AGREEMENT

To access the claims file and census files needed to prepare the Fee Schedule, GeoAccess Analysis and Network Disruption Analysis, the offeror must complete and submit an intent to propose and non-disclosure agreement form to the contracting officer, as provided as an attachment to this RFP. The agreement must be emailed to the contracting officer as an attachment. The offeror must also provide the phone number and email address of the person who is to receive the files.

The state will not furnish or provide these files to any offeror until receipt of this agreement. The state reserves the right to clarify and verify any offeror's ability to perform the services required under this solicitation prior to granting access to any of the files.

Upon receipt of the non-disclosure agreement and verification of the offeror's eligibility to receive the files, the offeror will be provided access to the following information:

Claims File: This file provides claims detail for the state for the period of October 2, 2016, through September 30, 2017. The file includes zip codes for all pharmacies utilized in the data period and should be used to conduct the Network Disruption Analysis.

Census Files: These files provide information including participant residence zip codes and should be utilized for the GeoAccess analysis.

The files will be provided to the offeror by the contracting officer via a secure file transfer site.

Under no circumstances will an offeror be provided the files via any other method than through the secure file transfer site.

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

SEC. 5.01 THIRD-PARTY CONSULTING ASSISTANCE

The state has retained The Segal Group (Segal) as a subject matter expert to assist the state with this RFP process. This assistance includes:

- Developing language and content for the RFP.
- Attending and participating in the pre-proposal meetings.
- Developing the GeoAccess Analysis, Network Disruption Analysis, and Fee Schedule.
- Analyzing proposals and serving as an overall technical industry resource for the proposal evaluation committee (PEC).
- Analyzing and developing reports related to the proposals, contractual requirements responses, GeoAccess Analysis, Network Disruption Analysis, and Submittal Form K - Fee Schedule.
- Presenting findings from analysis to procurement and the PEC at the PEC meeting(s).
- Developing questions and areas of interest for the interviews and attending interviews.
- Attending meetings and assisting the state during the clarification period (reference RFP Section 5.20).

SEC. 5.02 SUMMARY OF EVALUATION PROCESS

The state will use the following steps to evaluate and prioritize proposals:

- 1) Proposals will be assessed for overall responsiveness and compliance with mandatory requirements. Proposals deemed non-responsive or not in compliance with mandatory requirements will be eliminated from further consideration.
- 2) Each responsive proposal that has passed all mandatory requirements will be assigned a unique code.
- 3) A proposal evaluation committee (PEC), made up of at least three state employees or public officials, will evaluate specific parts of the responsive proposals.
- 4) The anonymous Submittal Forms, from each responsive proposal, will be sent to the PEC. No cost information, schedule information, or team information will be shared or provided to the PEC.
- 5) The PEC will independently evaluate and score the documents based on the degree to which the proposal has met the requirements of the Submittal Form.
- 6) After independent scoring, the PEC will have a meeting, chaired by the contracting officer, where the PEC will have a group discussion prior to finalizing their scores. Prior to the meeting, Segal will analyze the proposals, GeoAccess Analysis, and Network Disruption Analysis, and present their analysis in writing to the contracting officer. This analysis will also be anonymous and will be reviewed by the contracting officer to ensure anonymity prior to sending to the PEC for the group meeting. The PEC may take the analysis into consideration prior to finalizing their scores. Segal may also participate in the PEC meeting but will provide any identifying information in any discussions with PEC members prior to the PEC members finalizing their scores.
- 7) The evaluators will submit their final individual scores to the contracting officer, who will then average and compile the evaluator's scores.
- 8) Segal will perform the financial analysis of Submittal Form K (see Section 5.10 for details on this analysis, including the points allocations).
- 9) The contracting officer will prioritize the proposals based on: evaluator scores, fee/cost information, and Alaska preferences (as outlined in this section).
- 10) The contracting officer may shortlist the proposals and the state may conduct interviews with the top-rated offerors. Segal may assist in preparing questions for the interviews and assisting the state with follow-up questions during the interviews.

- 11) The PEC will evaluate and score the interviews and submit their scores to the contracting officer, who will incorporate these scores into the final prioritization. The PEC may consult with Segal for technical assistance before finalizing the interview scores.
- 12) The state, with Segal’s assistance, will then conduct clarifications, negotiations, and award a contract if the clarifications and negotiations are successful.

SEC. 5.03 EVALUATION CRITERIA

Proposals will be evaluated based on their overall value to state, considering both cost and non-cost factors as described below. Note: An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

Overall Criteria		Weight
Responsiveness		Pass/Fail
Mandatory Requirements Compliance	(Submittal Form F)	Pass/Fail

Qualifications Criteria		Weight
Service Approach – Network Plan (Commercial and EGWP)	(Submittal Form B)	50
Service Approach – Customer & Member Support	(Submittal Form B)	25
Service Approach – Medicare Part D Enhanced EGWP	(Submittal Form B)	20
Risk Assessment Plan	(Submittal Form C)	100
Value Opportunity Assessment	(Submittal Form D)	75
Performance Qualifications	(Submittal Form E)	10
Interviews – Account Manager		30
Interviews – Implementation Manager		30
Interviews – Clinical Pharmacist		30
Interviews – Member Services Manager		30
Total		400

Cost Criteria		Weight
Fee Schedule		500
Total		500

SEC. 5.04 SCORING METHOD AND CALCULATION

The PEC will evaluate responses against the questions set out in Sections 5.05 through 5.09 and assign a single score for each section. Offeror’s responses for each section will be rated comparatively against one another with each PEC member assigning a score of 1, 5, or 10 (with 10 representing the highest score, 5 representing the average score, and 1 representing the lowest score). Responses that are similar or lack dominant information to differentiate the offerors from each other will receive the same score. Therefore, it is the offeror’s responsibility to provide dominant information and differentiate themselves from their competitors.

After the PEC has scored each section, the scores for each section will be totaled and the following formula will be used to calculate the amount of points awarded for that section:

$$\frac{\text{Offeror Total Score}}{\text{Highest Total Score}} \times \text{Max Points} = \text{Points Awarded}$$

Example (Max Points for the Section = 100):

	PEC Member 1 Total Score	PEC Member 2 Total Score	PEC Member 3 Total Score	PEC Member 4 Total Score	Combined Total Score	Award Points
Offeror 1	10	5	5	10	30	75
Offeror 2	5	5	5	5	20	50
Offeror 3	10	10	10	10	40	100

In this example, **Offeror 3** received the highest combined total score and thus was awarded the maximum amount of points for that section.

Offeror 1 was awarded 75 points:

$$\frac{\text{Offeror Total Score (30)}}{\text{Highest Total Score (40)}} \times \text{Max Points (100)} = \text{Points Awarded (75)}$$

Offeror 2 was awarded 50 points:

$$\frac{\text{Offeror Total Score (20)}}{\text{Highest Total Score (40)}} \times \text{Max Points (100)} = \text{Points Awarded (50)}$$

SEC. 5.05 MANDATORY TECHNICAL REQUIREMENTS (PASS/FAIL)

The offeror must confirm that they meet all mandatory requirements as identified in Submittal Form F. An offeror's failure to meet these requirements will cause their proposal to be considered non-responsive and rejected.

SEC. 5.06 SERVICE APPROACH

Each portion of the Service Approach (Network Plan, Customer & Member Support, and Medicare Part D Enhanced EGWP) will be evaluated against the following questions:

- 1) How well has the offeror demonstrated an understanding of the purpose and scope of the project?
- 2) How logical is the approach/methodology to fulfilling the scope objectives and goals of the state?
- 3) How well has the offeror demonstrated an understanding of the deliverables the state expects it to provide?

SEC. 5.07 RISK ASSESSMENT PLAN

The Risk Assessment Plan will be evaluated against the questions set out below:

- 1) How well has the offeror identified pertinent risks, issues, challenges, and potential problems related to this specific project/service?
- 2) How well has the offeror identified a clear and concise approach/methodology that can logically mitigate the risks?
- 3) The offeror's ability to provide verifiable documented results of mitigation strategies (the impacts of their mitigation approach).

SEC. 5.08 VALUE OPPORTUNITY ASSESSMENT

The Value Opportunity Assessment will be evaluated against the questions set out below:

- 1) How well has the offeror identified pertinent ideas or opportunities that are specific to this project/service?
- 2) The offeror's ability to provide verifiable documented results of the ideas/opportunities (actual impacts of these ideas).

SEC. 5.09 PERFORMANCE QUALIFICATIONS

Experience will be evaluated against the customer satisfaction with the offeror and the account manager as outlined below. Note: These scores will not be evaluated/scored by an evaluation committee. The state will use the actual average scores in the analysis.

- 1) Regarding the firm: The customer satisfaction ratings will be averaged together to obtain an overall average customer satisfaction rating.
- 2) Regarding the account manager: The customer satisfaction ratings will be averaged together to obtain an overall average customer satisfaction rating.

The offeror with the highest average ratings will received the maximum number of points for this section. Points will be awarded to the other offerors using the formula set out in Section 5.04.

SEC. 5.10 CONTRACT COST

Costs will not be evaluated/scored by the PEC. Offerors must use the tables in Submittal Form K – Fee Schedule to display their proposed fees. Please note that pricing terms should be offered on your proposed traditional or transparent basis with 100% pass through rebates. Footnotes to the form(s) may be used to provide supplemental explanations, if necessary.

Segal will then perform a financial analysis of the proposed fees and produce a document equivalent to the document titled RFP Results – Financial, provided as an attachment to the RFP. Segal utilizes client specific claims data to get average per drug wholesale unit costs. These costs and utilization statistics are then trended to the renewal contract period using Segal's internal industry assumptions for market trends, and then each bidder's proposed pricing guarantees are applied to trended costs. In this way, each bid is compared using the client specific utilization and spending patterns and projected forward using Segal's industry knowledge on emerging drug market trends.

The RFP Results – Financial document will display the total costs for each offeror. The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). After the contracting officer applies any applicable preferences, the offeror with the lowest total costs will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the following formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

SEC. 5.11 NETWORK DISRUPTION ANALYSIS AND GEOACCESS ANALYSIS

These documents will not be scored. They will be analyzed by Segal and Segal may present their findings to the PEC for consideration after the PEC has completed their initial round of individual scoring. Segal will evaluate the Network Disruption Analysis based upon the information submitted in proposals and will be measured upon the pharmacies used by the active and retired participants in the plans for which a proposal is being submitted, as measured from the experience of the plan over the past one year. Special consideration will be made of the offeror's ability to provide a network of providers in all of the areas in which participants reside (including rural and remote areas). The census file submitted to offerors includes residence zip code locations. Network disruption will be analyzed as follows:

- The percentage of pharmacy dispensing facilities in the offeror's network that dispensed prescriptions and are included in the claims data file.
- An evaluation of the number of facilities that are available to participants based upon a distribution within the state.

SEC. 5.12 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the following website:

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)
- Alaska Veteran's Preference - AS 36.30.321(f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause the State to disallow the preference.**

Sec. 5.13 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the State staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the State, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the State; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

SEC. 5.14 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

SEC. 5.15 ALASKA OFFEROR PREFERENCE

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. 2 AAC 12.260(e) provides Alaska offerors a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

SEC. 5.16 SHORTLISTING

After proposals have been prioritized, the state may shortlist and interview the top three highest ranking offerors. The state may increase or decrease the number of offerors in this list based on the competitiveness of the proposals and/or from feedback from the PEC.

SEC. 5.17 INTERVIEWS OF KEY PERSONNEL

The state may conduct interviews with the key personnel from each of the shortlisted offerors, as identified below (the state reserves the right to request additional personnel):

- 1) **Account Manager** – Individual that will lead the overall program/service and will be responsible for the day-to-day operations of the program
- 2) **Implementation Manager** – The implementation manager coordinates all set-up activities, team members, and deadlines.
- 3) **Clinical Pharmacist** – Provides clinical management for the plan, including oversight or prior authorizations, formularies, and adherence to evidence based guidelines.
- 4) **Member Services Manager** – The person in charge of ensuring the customer service representatives are trained and prepared to provide accurate information and exceptional customer service to members.

The individuals that will be interviewed must be the same individuals that are identified in Submittal Form A of the offeror’s proposal. No substitutes, proxies, phone interviews, or electronic interviews will be allowed. No other individuals (from the offeror’s organization) will be allowed to sit in or participate during the interview session. Individuals who fail to attend the interview will be given a “1” score, which may jeopardize the offeror’s competitiveness.

Interviews are expected to last approximately 30 minutes per individual. Interviewees may not bring notes, presentation materials, or handouts. The state will interview individuals separately (not as a team). Interviewees may be prohibited from making any reference to their proposed cost/fees. Interviewees may be asked questions regarding their experience, knowledge and understanding of the scope of work, obstacles and challenges, strategies, and their plan/approach. The state may request additional information prior to interviews. Segal will attend interviews and may assist the state in asking follow up questions during the interviews. The PEC will score each interview individually, and may consult with Segal before finalizing the interview scores.

SEC. 5.18 FINAL PRIORITIZATION

After the shortlisted offerors have been interviewed and scored by the PEC, the contracting officer will compile all scores and perform a final prioritization of offerors.

SEC. 5.19 COST REASONABLENESS

Prior to performing clarifications and negotiations, the contracting officer will perform a cost reasonableness assessment of all shortlisted proposals in the following manner:

- a. If the highest prioritized offeror’s total cost points is within 5% of the second highest prioritized offeror’s total cost points, the state reserves the right to proceed to invite the highest prioritized offeror to the clarification period.

- b. If the highest prioritized offeror exceeds this range, the state reserves the right to invite the second highest prioritized offeror to the clarification period.

SEC. 5.20 CLARIFICATION PERIOD

The state will invite the highest (or second highest) prioritized offeror to the clarification period. The clarification period is carried out prior to the signing of a contract. The intent of this period is to allow the apparent best-value offeror an opportunity to clarify any assumptions, issues, or risks, and confirm that their proposal is accurate. The state's objective is to have the services completed on time, without any cost increases, in a timely and efficient manner, and with high customer satisfaction. It is the offeror's responsibility to ensure that the offeror understands the state's expectations. The offeror is at risk, and part of the risk is understanding state's expectations.

The offeror will be required to pre-plan the project in detail to ensure that there are no surprises, and to prepare a clarification document (which will be incorporated into the contract), containing at a minimum the information as described below:

- a. Verify the Fee/Cost Proposal: Clarify the fee schedule. The offeror is expected, in good faith, to incorporate in and submit any additional data, supporting schedules, or substantiation reasonably required.
- b. Provide a Project Schedule: Prepare a high-level schedule of the project (with major milestones or tasks). If requested, prepare a detailed milestone schedule. This may include transition and implementation.
- c. Provide a Client Action Item Schedule: Prepare a schedule of any/all activities, actions, or decisions needed from the state (including specific due dates and client names responsible for the activities). This must be a separate document from the overall project schedule. This should be provided in a very simple format. Identify the roles and responsibilities of the state or its personnel
- d. Align Expectations: Coordinate the project/service (schedule, cost, activities) with all critical parties (subcontractors, consultants, suppliers, manufacturers, networks, etc.). Create a detailed project plan. Review any unique technical requirements with the state.
- e. Key Assumptions: Provide a summary of the major assumptions that have been made in preparing the proposal. This should include items/tasks that the offeror has assumed the state will perform, items/tasks required from the state, and items/tasks that have not been included in the proposal (items that the offeror feels are outside the scope of work). This should also include any critical expectations or responsibilities that the offeror has of the state, state personnel, or other parties/organizations that are not contracted to by the offeror.
- f. Risk Mitigation Approach: Identify all risks, activities, or concerns that may be unforeseen or not within the control of the offeror. This should include everything (realistically) that may prevent the offeror from being successful on this project. This may include: contractor risks, designer risks, owner risks, other party risks, and unforeseen risks. Identify if there are any strategies to mitigate these items. Provide a plan of how unforeseen risks will be managed. Identify what (if anything) concerns you the most, or is very unique about this project
- g. Financial Resources and Responsibility: Provide necessary information on the offeror's ability to meet its financial obligations. Financial analysis includes and is not limited to standard accounting ratio analysis. Offeror will be required to provide the most recent three years audited financial statements (Balance Sheet, Income Statement, and Cash-Flow Statement), including notes to the financial statements or the period of the company's existence, if shorter. Provide the most recent interim financial statements.

Required if the latest available financial statement date is six months or more than the RFP document submission date. Interim financial statements must be signed and attested to by an authorized officer as a fair representation, in all material aspects, of the company's financial condition in accordance with generally accepted accounting principles. Provide any subconsultant's financial stability information and qualifications of the subconsultant's key personnel (if the subconsultant will perform at least 25% of the work). The state may request clarifications or additional documentation, other than the aforementioned documents as stated above. However, no request by the offeror to submit additional information for re-evaluation of financial resources and responsibility will be accepted.

- h. Provide an organizational chart specific to the personnel assigned to accomplish the work called for in this RFP; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the RFP. If requested, provide resumes on all key personnel.
- i. Provide any additional requested documentation: Provide a detailed project/work plan, past and current client references, staffing plans, contracts, insurance, background checks, additional references and reference information, etc.

The potential best-value offeror will be required to conduct and participate in several meetings throughout the clarification period. At a minimum, the state will require the offeror to conduct a kickoff meeting at the beginning of the clarification period. The offeror will lead the kickoff meeting and is expected to be prepared to present the following information:

- Description of their plan for project execution and management
- High level schedule for project delivery
- Address any major concerns provided by the state
- Address all project assumptions
- Identify major risks to project delivery (focusing on risks that the offeror does not directly control) and the associated risk mitigation strategy. Clearly identify any information or actions needed from the state to support successful project delivery.
- Propose a schedule for items that must be reviewed in detail and resolved during the clarification period.

The potential best-value offeror will be required to hold a final summary meeting at the end of the clarification period. This meeting is to present a summary of the final details that were discussed and resolved during the clarification period. The offeror will lead the meeting to present the entire proposal, project execution plan, and identified risks and mitigation plans.

The state reserves the right at its sole discretion to negotiate with the potential best-value offeror during the clarification period. This may include, but is not limited to, modifying the scope of the project (time, cost, quality, expectations, etc.). An invitation to the clarification period does not constitute a legally binding offer to enter into a contract on the part of the state to the offeror. At any time during the clarification period, if the state is not satisfied with the progress being made by the invited offeror, the offeror fails to provide the information in a timely manner, fails to negotiate in good faith, or if the offeror and the state fail to agree to terms or fail execute a contract, the state may terminate the clarification period activities and then commence or resume a new clarification period with an alternative offeror.

SEC. 5.21 OFFEROR NOTIFICATION OF SELECTION

If the state and offeror are able to agree to terms and complete the clarification period, the contracting officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors who submitted proposals. The NIA will set out the names of all offerors and identify the proposal selected for award.

SECTION 6. POST AWARD PROCEDURES AND ACTIVITIES

SEC. 6.01 INFORMAL DEBRIEFING

When the contract is completed, an informal debriefing may be performed at the discretion of the contracting officer or project director or contracting officer. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

SEC. 6.02 MONTHLY REPORTING

The state will require the awarded contractor to prepare and submit monthly reports. These reports are a tool for the state in analyzing changes or addressing issues that may occur throughout the contract period. A change or issue is defined as anything that impacts (or may potentially impact) the contract costs or contract schedule/duration. This includes deviations that are caused by:

- The contractor (or entities contracted by the state)
- The state (scope changes or client-caused deviations)
- Third parties (which are not hired or contracted by the contractor)
- Unforeseen conditions

The monthly report is an MS Excel spreadsheet file. As new or potential deviations occur (to cost or schedule), the contractor must identify it in the report, along with a short and concise description of the deviation, reasons why the deviation occurred, and a plan/strategy to mitigate the deviation. Each deviation must have an estimated impact to the awarded cost or awarded schedule.

A template shall be provided by the state and must be used. The contractor will not be permitted to recreate or modify this template in any way. The state will assist the contractor in setting up this spreadsheet but it is the contractor's responsibility to complete and submit these reports as required. Note: These reports do not substitute or eliminate progress reports or any other traditional reporting systems or meetings (that the contractor may perform).

The monthly report must be prepared and submitted by the contractor the first day of every month. If the first day of the month is on the weekend, the report shall be submitted the following Monday. The state will review and analyze each monthly report for accuracy, following format requirements, and timely submittals.

SEC. 6.03 PERFORMANCE EVALUATIONS

The awarded contractor will be closely monitored for contract compliance. In summary, the state will evaluate the contractor's overall performance on the awarded contract. This may include, but is not limited to:

- Ability to follow state rules, policies, and regulations
- Ability to successfully manage and deliver the project
- Ability to minimize delays
- Ability to minimize cost increases
- Ability to provide and submit accurate monthly reports
- Overall quality and performance of the services
- Accuracy of billing

- Responsiveness to correct deficiencies
- Conformance to the terms and conditions of the contract

The project evaluation assessment will be performed at regular intervals. These ratings may be used and considered during the solicitation and competition of future projects within the State of Alaska.

SECTION 7. GENERAL LEGAL INFORMATION

SEC. 7.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the State's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 7.02 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign the state's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached with the RFP for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law, and the state reserves the right to reject a proposal that is non-compliant or takes exception with the contract terms and conditions stated in the Agreement. Any requests to change language in this document (adjust, modify, add, delete, etc.), must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

1. Identify the provision that the offeror takes exception with.
2. Identify why the provision is unjust, unreasonable, etc.
3. Identify exactly what suggested changes should be made

SEC. 7.03 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

SEC. 7.04 ADDITIONAL TERMS AND CONDITIONS

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

SEC. 7.05 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report. The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

SEC. 7.06 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The contracting officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP. Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the contracting officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the contracting officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest. **A proposal from a debarred or suspended offeror shall be rejected.**

SEC. 7.07 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The state will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

SEC. 7.08 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the contracting officer does so, and if the contracting officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the contracting officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

SEC. 7.09 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the contracting officer.

SEC. 7.10 DISPUTES

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

SEC. 7.11 SEVERABILITY

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

SEC. 7.12 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with Section 7.05 Right of Rejection. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the state's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

If conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

If the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

SEC. 7.13 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

SEC. 7.14 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

SEC. 7.15 SITE INSPECTION

The state may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable access to relevant portions of its work sites. Individuals designated by the contracting officer at the state's expense will make site inspection.

SEC. 7.16 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the contracting officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the contracting officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Fax copies containing a signature are acceptable.

The contracting officer will issue a written response to the protest. The response will set out the contracting officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the contracting officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."