

STATE OF ALASKA REQUEST FOR PROPOSALS



STATEWIDE SERVICES FOR HEALTH CARE AUTHORITY GOVERNANCE & STAKEHOLDER ENGAGEMENT (HCAGSE)

RFP 2019-0200-3971

Issued May 18th, 2018

ISSUED BY:

DEPARTMENT OF ADMINISTRATION
DIVISION OF RETIREMENT AND BENEFITS

PRIMARY CONTACT:

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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 Retirement and Benefits, is soliciting proposals from qualified and experienced firms (hereinafter referred to as 'Offerors') for technical assistance and consultation services in the development and recommendation of governance models that could be used to oversee a Health Care Authority (HCA). The Division seeks proposals that will conduct and facilitate a comprehensive and robust stakeholder engagement process in the development of recommended models. This procurement is being conducted as a Best Value/Accelerated RFP process.

SEC. 1.02 BUDGET

The State estimates a budget of less than **\$200,000** dollars for completion of this project. Proposals priced at more than **\$200,000** will be considered non-responsive. Approval or continuation of a contract resulting from this RFP is contingent upon legislative appropriation.

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 Notice of Intent to Award, is delayed the rest of the schedule may be shifted by the same number of days. Proposals **MUST** be received no later than the date and time identified below. All times are Alaska Standard Time (AKST).

ACTIVITY	TIME	DATE
Issue Date / RFP Released		05/18/18
Pre-Proposal Conference	1:00PM	05/25/18
Deadline to submit questions	2:00PM	05/30/18
Deadline for Receipt of Proposals / Proposal Due Date	2:00PM	06/08/18
Shortlisting (optional)		06/12/18
Interviews	TBD	06/18/18
Clarification Period Begins	TBD	06/20/18
Notice of Intent to Award		07/05/18
Contract Issued		07/17/18
Start Date		07/18/18

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.

SEC. 1.04 PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held to discuss the work to be performed with the prospective Offerors and allow them to ask questions concerning the RFP. The meeting will also provide an overview of the evaluation and submittal process. 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 with a disability needing accommodation should contact the procurement officer prior to the date set for the pre-proposal conference so that reasonable accommodation can be made. Questions and answers discussed during the meeting will need to be sent in writing to the procurement officer who will draft a Q&A

document to be sent to prospective Offerors as soon as possible after the meeting. The conference will be held at:

Building: **State Office Building**

Address: **333 Willoughby Ave, Juneau, AK 99801**

Room Location: **6th Floor conference room, Division of Retirement and Benefits**

Phone: **1-800-315-6338**

Access Code: **15850**

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 procurement 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 procurement 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 procurement 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 procurement officer will make that decision.

PROCUREMENT OFFICER: **MATT MEIENBERG**

PHONE: **907-465-5758**

EMAIL: MATTHEW.MEIENBERG@ALASKA.GOV

SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit one hard copy of their proposal, in writing, to the procurement officer in a sealed package. The cost proposal included with the package must be sealed separately from the rest of the proposal and must be clearly identified. The sealed proposal package(s) must be addressed as follows:

Department of Administration
Division of Retirement and Benefits
Attention: **MATT MEIENBERG**

Request for Proposal (RFP) Number: **2019-0200-3971**
RFP Title: Health Care Authority Governance and Stakeholder Engagement
333 WILLOUGHBY AVENUE, SUITE 801
JUNEAU, AK 99801

If using U.S. mail, please use the following address:
P.O. BOX 110210
JUNEAU, AK 99811-0210

If submitting a faxed proposal, it is the Offeror's responsibility to contact the issuing agency at **907-465-2250** to make arrangements prior to faxing the proposal and to confirm that the proposal has been received.

If submitting a proposal via email, the technical proposal and cost proposal must be saved as separate PDF documents and emailed to DOA.DGS.INFO@ALASKA.GOV as separate, clearly labeled attachments, such as "Vendor A – Technical Proposal.pdf" and "Vendor A – Cost Proposal.pdf" (Vendor A is the name of the Offeror). The email must contain the RFP number in the subject line.

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 20 megabytes and each email must comply with the requirements described above. It is the Offeror's responsibility to contact the issuing agency at **907-465-2250** to confirm that the proposal has been received. The State is not responsible for unreadable, corrupt, or missing attachments. Email with links to third party websites containing the proposal will not be accepted.

An Offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments 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 procurement 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, it will be provided to all who were mailed a copy of the RFP and to those who have registered with the procurement 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.

SECTION 2. BACKGROUND INFORMATION

SEC. 2.01 ABOUT THE PROJECT

The Departments of Administration; Commerce, Community, and Economic Development; and Health & Social Services are working together to conduct an implementation analysis of a HCA. The departments are evaluating the individual market, small group market, portions of the Medicaid population, and public employers. A central element of this process is reviewing governance structure options and, through a robust stakeholder engagement process, recommending a model(s).

SEC. 2.02 KNOWN CONDITIONS

Pursuant to Senate Bill 74 (2016) the State of Alaska (state) procured a study to determine the feasibility of creating a Health Care Authority (HCA) to coordinate health care plans and consolidate purchasing effectiveness for state-funded health care. The studies, additional presentations, and a summary of public comment are available online here: <http://doa.alaska.gov/hca.html>. All proposers are encouraged to read the studies. Note: a preliminary overview of governance models, including those used in other states is available in sections 3, 4 and 5 of the Medicaid Technical Assistance Health Care Authority Feasibility Study by Pacific Health Policy Group (available here: <http://doa.alaska.gov/pdfs/PHPGReport.pdf>). Additional information is outlined in Attachment I and II of the same report. Proposers are encouraged to review this information.

The feasibility studies reviewed plans for state employees, retired state employees, retired teachers, medical assistance (Medicaid) recipients, University of Alaska employees, employees of state corporations, political subdivisions and school district employees to determine appropriate benefit sets, rules, cost-sharing, and payment structures for all employees and individuals whose health care benefits are funded directly or indirectly by the state. The study evaluated the feasibility of creating a HCA to:

- Consolidate purchasing strategies across all benefits funded by the state, directly or indirectly;
- Provide recommendations for an organizational model, if such an approach is determined to be feasible;
- Evaluate the feasibility of coordinating health plan administration among some, or all, of the stated entities through a HCA; and
- Provide recommendations for an organizational model if such an approach is determined to be feasible.

The feasibility studies focused on 227 public employers and produced a summary of survey data complimented by insight gathered from over 75 conversations with public employers, lawmakers, doctors, patients and other interested parties. The studies found that the approximately \$3.56 billion was spent on health benefits for over 340,000 covered lives. This total number does not include the total of local contributions which may be mixed into the funding stream for these benefits or out of pocket costs by employees.

The HCA feasibility studies concluded that a HCA is feasible, under specific circumstances. The next step of this analysis is identifying the specific circumstances under which a HCA could function and the development of a recommendation on whether a HCA should be pursued.

The departments are currently collecting data from public employers, school districts, small businesses and insurers to determine which groups can benefit from participation in a health care authority and are evaluating the feasibility of participation by non-public employer entities, e.g. individual market, small group market, and portions of the Medicaid population

This next phase of analysis will include in depth engagement of employers and employees who have a vested stake in the possible formation of a HCA. This will require a robust dialogue with employees, employers, and other impacted parties regarding governance, organizational structure, and benefits.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 SUMMARY

The State of Alaska, Department of Administration, in consultation with the Department of Commerce, Community and Economic Development and Department of Health & Social Services, is seeking the following:

1. Assistance in understanding and developing innovative governance models that could be employed for an HCA in Alaska; and
2. The development, implementation and facilitation of a robust stakeholder engagement process to communicate the options and evaluate the differing models.

The contractor will provide consultation about possible governance models, develop a robust process to review the governance options with stakeholders, share final model recommendations broadly with the public, and support a 30-day public comment process.

The Department of Administration seeks proposals that put forward a plan to actively engage stakeholders in the decision making and recommendation development process. The tasks may include, but are not limited to:

- 1) Review information gathered and shared by HCA feasibility study contractors.
- 2) Explore governance structures for an HCA that functions either as a government agency, a state corporation, or an alternative model.
 - a) Recommendations for whether a state corporation, government agency, or alternative model, is preferable and details on where it would be housed
 - b) Recommendation on whether one governing board, multiple governing boards, or an alternative model, is preferable
- 3) Identify opportunities to leverage a balance of employers and employee representatives in the governance model.
 - a) Include an effective board composition for membership
 - b) Potential nomination and selection process for board members
- 4) The governance structure review must address the potential inclusion of entities that could participate in a health care authority, including the following:
 - a) Public employers
 - b) Participants in the individual and small group markets; and
 - c) Portions of the Medicaid population.
- 5) Identify recommended supporting committees and/or advisory bodies.
- 6) Provide within recommendations, based on prior experience and takeaways from the stakeholder engagement process, potential goals and a mission for a hypothetical governing board(s), comments on a potential implementation timeframe, and commentary on potential governance structure pitfalls to care for in the process.

The bidder must have knowledge of Alaska's policies and programs, knowledge of other state HCA models, and an ability to translate innovative ways other states have transformed health care delivery systems using an HCA or pooled health care purchasing models. The state is open to creativity and working with a contractor that may identify possibilities that may not have been tried before.

It is the intention of the state to conduct an actuarial and policy analysis of groups to be included in a potential HCA parallel to this stakeholder process. The contractor should work with the state to align recommendations with the conclusion of this analysis.

SEC. 3.02 GOALS AND OBJECTIVES

The critical goals and objectives of this service are:

1. Develop potential governance models that are flexible and scalable depending on participating entities.
2. Work with stakeholders (e.g. employees, employers, and other impacted parties) through a robust and meaningful engagement process that informs, enhances and shapes the recommended models.
3. Ensure each recommended governance model reflects a balance of possible members including small and large, rural and urban entities.
4. Provide final recommendations on a possible governance structure.

SEC. 3.03 MAJOR DELIVERABLES

The awarded Offeror will be responsible for providing six deliverables:

- 1) Initial governance models for consideration including, at a minimum, the rationale and policy considerations for each model.
- 2) Develop and implement a comprehensive stakeholder engagement plan including:
 - a) A detailed outline of the engagement process identifying participants, frequency, duration, and scope of content.
 - b) All materials and presentations necessary to support the stakeholder engagement process
 - c) Summary of public comment and feedback
- 3) Initial Draft Report due to the state: September 14, 2018.
- 4) Final Report with recommendations due to the state: October 1, 2018.
- 5) Development of PowerPoint presentation slides summarizing the final report
- 6) Participation in presentations of the recommendations during the 31st Legislature

SEC. 3.04 CONTRACT TERM AND WORK SCHEDULE

The length of the contract will be for one (1) year initial term with one (1) renewal period to allow for additional presentations as requested. The State, in its sole discretion, reserves the right to renew/extend the service.

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. 3.05 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. The contractor must provide its own workspace.

The contractor should include in their price proposal: transportation, lodging, and per diem costs sufficient to pay for project lead and other person(s) as necessary. Travel to other locations will not be required. However, it is expected the contractor will provide expected travel in the management plan that clearly enumerates the flow of

this project and the travel the successful bidder will make. By signature on their proposal, the Offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the Offeror cannot certify that all work will be performed in the United States, the Offeror must contact the procurement 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. 3.06 UNIQUE CONSIDERATIONS

With a population of 738,432 spread across 570,641 square miles, Alaska has a small population and is the largest and one of the most geographically isolated states in the nation. Alaska is the least densely populated state; density is 1.3 per square mile in Alaska, while 49th ranked Wyoming has a population density of 6.0. While more individuals are employed by large employers, the majority of employers are small businesses with fewer than 50 employees. According to an Alaska Department of Labor and Workforce Development report in 2011, 95.8% of firms employ fewer than 50 employees; however, half of the jobs are provided by employers with more than 100 employees. The majority of these workers receive health benefits through their employer.¹

The cost of health care is very high in Alaska, and access is limited compared to other states, particularly for specialty services.² Low population density and limited healthcare provider and facility competition in much of Alaska are contributors to Alaska's high healthcare costs. Because of these challenges, common managed care practices such as legislated network adequacy levels, closed network plans and the development of Health Maintenance Organizations have not been successful.

Reflecting its population size, Alaska has a small insurance marketplace. In 2016, there were approximately 24,064 Alaskans with individual health insurance coverage and 17,746 Alaskans with small employer health insurance coverage.

For calendar year 2017, only one insurer is offering individual health insurance coverage both inside and outside the Federally-Facilitated Marketplace (FFM). There are currently four insurance companies offering small group insurance coverage, two of which are participating in the federally facilitated Small Business Health Options Program (SHOP).

Prior to 2014, Alaska's uninsured population was estimated at approximately 134,000 residents, mostly non-elderly adults. After two years of expanded ACA enrollment opportunities, the number of uninsured residents in Alaska is estimated to be 100,000 people.³

¹ Neal Fried and Alyssa Shanks, "Most Alaska Employers Are Small ... but the majority of private-sector jobs are in larger firms," *Alaska Economic Trends*, September 2012, <http://labor.alaska.gov/research/trends/sep12art2.pdf>.

² Milliman, Inc., "Drivers of Health Care Costs in Alaska and Comparison States," Alaska Health Care Commission, November 29, 2011, http://dhss.alaska.gov/ahcc/Documents/drivers_healthcare_costs.pdf.

³ Source: Alaska Selected Economic Characteristics, American Community Survey 5-year estimates, American FactFinder, United States Census Bureau, <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>; Oliver Wyman, "Alaska 1332 Waiver Application Actuarial Analyses and Certification," Table 1, p. 33.

Roughly 20% of the Alaska population identifies as Alaska Native or American Indian. There are 229 federally recognized Tribes in Alaska. The State of Alaska maintains a partnership with Tribes on government-to-government basis.

Under the Indian Self-Determination and Education Assistance Act (P.L. 93-638), Tribal organizations operate tribal health facilities. There are regions of the state where the only providers are tribal health organizations.

Eligibility to receive services from a Tribal health or IHS Facility is not considered minimum essential coverage for purposes of the Affordable Care Act (ACA). However, under the ACA, Alaska Natives and American Indians are eligible for a lifetime exemption from the individual mandated if they can show evidence of enrollment in a federally recognized Tribe or Alaska Native Claims Settlement Act (ANCSA) shareholder status (village or regional).

On September 1, 2015, Alaska expanded Medicaid to include adults without dependent children who met the financial requirements for coverage. Prior to the expansion, about 18% of Alaskans had health coverage through the Medicaid or Denali Kid Care programs. 42,531 were covered by Medicaid under expansion as of April 30, 2018.⁴

Approximately 37 percent of Medicaid enrollees in Alaska are American Indian/Alaska Native (AI/AN). The state receives 100 percent federal reimbursement for paid Medicaid claims when the Medicaid services for AI/AN recipients are received through an Indian Health Service facility, including tribally operated facilities. The Centers for Medicare and Medicaid Services (CMS) released State Health Official Letter #16-002, dated February 26, 2016, regarding federal funding for services “received through” an IHS/Tribal Facility and furnished to Medicaid-eligible American Indians and Alaska Natives.⁵ The new federal policy allows the state to claim 100 percent federal reimbursement for Medicaid services provided to AI/AN Medicaid recipients in non-tribal facilities if the recipients’ tribal health organization has a care coordination agreement established with the non-tribal facility. It is the Department of Health & Social Services’ policy to optimize federal matching funds for tribal populations.

In addition to the Health Care Authority feasibility study, Senate Bill (SB) 74 enacted comprehensive reform of Alaska’s Medicaid program. The Department of Health & Social Services is implementing SB 74 through a series of different initiatives. Additional information on these reforms can be found at http://dhss.alaska.gov/HealthyAlaska/Pages/Redesign/Redesign_news.aspx

SEC. 3.07 PROPOSED PAYMENT PROCEDURES

The State will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

SEC. 3.08 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.

⁴ <http://dhss.alaska.gov/HealthyAlaska/Pages/dashboard.aspx>

⁵ <https://www.medicaid.gov/federal-policy-guidance/downloads/sho022616.pdf>

SEC. 3.09 THIRD-PARTY SERVICE PROVIDERS

The contractor must provide, on an annual basis, a Type 2 Statement on Standards for Attestation Engagements (SSAE) **SOC 1, SOC 2, OR SOC 3** report(s). Failure to provide these reports may be treated as a material breach and may be a basis for a finding of default.

SEC. 3.10 SUBCONTRACTORS

Subcontractors may be used to perform work under this contract. If an Offeror intends to use subcontractors, the Offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

Subcontractor experience shall be considered in determining whether the Offeror meets the requirements set forth in this RFP.

If a proposal with subcontractors is selected, the Offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the State's request:

- complete name of the subcontractor;
- complete address of the subcontractor;
- type of work the subcontractor will be performing;
- percentage of work the subcontractor will be providing;
- evidence that the subcontractor holds a valid Alaska business license; and
- a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An Offeror's failure to provide this information, within the time set, may cause the State to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director.

SEC. 3.11 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. 3.12 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. 3.13 F.O.B. POINT

All goods purchased through this contract will be F.O.B. final destination. Unless specifically stated otherwise, all prices offered must include the delivery costs to any location within the State of Alaska.

SEC. 3.14 CONTRACT PERSONNEL

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the State's Project Director or the procurement officer. Personnel changes that are not approved by the State may be grounds for the State to terminate the contract.

SEC. 3.15 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. 3.16 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. 3.17 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.

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.).

Additional information that the contractor shall hold as confidential during the performance of services under this contract include:

ANY AND ALL PROTECTED HEALTH INFORMATION IN COMPLIANCE WITH ALL APPLICABLE LEGAL REQUIREMENTS, INCLUDING HIPAA, COBRA, DOL, ERISA, AND STATE AND LOCAL MANDATES.

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. 3.18 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. 3.19 INSURANCE REQUIREMENTS

The successful Offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful Offeror must secure the insurance coverage required by the State. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An Offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form **APPENDIX B2**, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in **APPENDIX B2** must be set out in the Offeror's proposal.

SEC. 3.20 TERMINATION FOR DEFAULT

If the project director 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 in **SECTION 8. ATTACHMENTS**.

SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 PROPOSAL FORMAT AND CONTENT

The State discourages overly lengthy and costly proposals, however, in order for the State to evaluate proposals fairly and completely, Offerors must follow the format set out in this RFP and provide all information requested. All responses/proposals to this RFP shall be made in accordance with the format as outlined below:

- Written in the English language
- Be on standard 8 ½ " x 11" paper size
- Be single-sided
- Be single-spaced with a minimum font size of ten

SEC. 4.02 SUBMITTAL FORM TEMPLATES

The Offeror must ensure that their response meets all form and content requirements detailed within this RFP. This RFP contains attached Submittal Forms, which must be used by the Offerors to submit their Proposal. Offerors shall not re-create these documents, create their own Submittal Forms, or edit the format structure of the Submittal Forms. An electronic copy of each Submittal Form is posted along with this RFP. The Offeror must download, complete, and submit each Submittal Form in their response. Unless otherwise specified in this RFP, the Submittal Forms shall be the offeror's entire proposal. Do not include and marketing information in the proposal.

Any response that does not adhere to these requirements may be deemed non-responsive and rejected.

SEC. 4.03 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: The 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: The 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).

Cost Information: Cost information shall only be contained within the Cost/Fee Proposal Submittal Form G. No other document or Submittal Form may contain cost or fee information.

Submittal Form	Anonymous Document	Maximum Page Limits
Submittal Form A – Offeror Information		
Submittal Form B – Approach	YES	2
Submittal Form C – Risk Assessment Plan	YES	2
Submittal Form D – Value Opportunity Assessment	YES	2
Submittal Form E – Assumptions	YES	1
Submittal Form F – Mandatory Requirements		
Submittal Form G – Cost/Fee Proposal		

Any Submittal Form that does not follow these instructions may receive a '0' 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. 4.04 OFFEROR INFORMATION (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 policies and laws required by the State of Alaska.

The Offeror is responsible for assigning key personnel to this Proposal. These individuals shall be used by Offeror for the duration of the Contract (resulting from this RFP). These individuals CANNOT be removed or replaced from the contract, unless requested and approved by the State (with the exception of uncontrollable events such as: retirement, injury/sickness/death, or resignation). The Offeror shall guarantee that these individuals will stay in these roles for a minimum of 12-months. If the Offeror seeks to replace these individuals, the Proponent will be required to take the following steps:

- a. Inform the State that the Offeror is seeking to replace the individual (a minimum of 30 days prior to being replaced)
- b. Identify a potential replacement candidate or multiple candidates
- c. The State will require that the candidate(s) provide 5 references
- d. The State will require that the candidate(s) attend an in-person interview
- e. If the candidate does not meet the State's expectations, the Offeror will not be allowed to replace the currently assigned individual. The Offeror must then suggest an alternative individual. The review of the alternative candidate will require and follow the same reference and interview procedures.
- f. If the candidate meets the State's expectations, the State will inform the Offeror and require that the candidate shadow the key individual (they are seeking to replace) for a minimum of 3 months. The candidate will be required to attend all key meetings during the 3-month period. The Offeror will assure that all other transitioning activities are performed so that there is a seamless integration.

If any Offeror fails to comply with these requirements, 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. 4.05 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 Offeror should summarize their goals and objectives and provide a brief roadmap, which describes the general approach (major activities or tasks), which will be utilized to successfully deliver this project/service. This document should be a concise synopsis of the critical tasks that will be taken to meet the State's expectations (cost, time, quality, etc.). *Special Note: See Section 4.03 for Special Formatting Requirements, which apply to this Submittal Form.*

SEC. 4.06 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 past experience and knowledge of completing similar projects to identify these potential risks. *Special Note: See Section 4.03 for Special Formatting Requirements, which apply to this Submittal Form.*

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 does occur.

SPECIAL NOTE: The Offeror **MUST** not disclose their cost/fee 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 4.05).

SEC. 4.07 VALUE OPPORTUNITY ASSESSMENT (SUBMITTAL FORM D)

The Offeror must complete and submit this Submittal Form. The purpose of the Value Opportunity Plan 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 base fee of the 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 make reference to the potential impact to the cost and schedule in terms of estimated percentages.

SPECIAL NOTE: The Offeror must not disclose their cost/fee 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 4.05).

SEC. 4.08 ASSUMPTIONS (SUBMITTAL FORM E)

The Offeror should provide a brief summary of the major assumptions that have been made in preparing the Proposal. This should include expectations and responsibilities that the Offeror has of the State or State personnel. This should include items or tasks that the Offeror has assumed the State will perform, items or tasks required from the State, and assumed roles of State personnel. The Offeror should identify any major items or tasks that have been excluded from the Proposal (items that the Offeror feels are outside the scope of work). *Special Note: See Section 4.05 for Special Formatting Requirements, which apply to this Submittal Form.*

SEC. 4.09 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 G. 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. 4.10 COST/FEE PROPOSAL (SUBMITTAL FORM G)

The Offeror must complete and submit this Submittal Form. The State reserves the right to request additional information to examine and verify the cost or pricing data submitted (including: books, records, documents, and other supporting data which will permit adequate evaluation of such cost or pricing data).

As a reminder, this Submittal Form must be submitted in a separate sealed envelope (in the hardcopy package), and as separate Submittal Form in eRSP named "confidential" (in the electronic submittal). Please note that the cost/fee information must not be submitted in any other Submittal Form (unless it is explicitly asked for).

Cost proposals must include an itemized list of 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.

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

SEC. 5.01 EVALUATION CRITERIA

All proposals will be reviewed to determine if they are responsive. Proposals determined to be responsive will be evaluated using the criterion that is set out in Section 5. 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.

Qualifications Criteria		Weight
Responsiveness		Pass/Fail
Approach	(Submittal Form B)	75
Risk Assessment Plan	(Submittal Form C)	175
Value Opportunity Assessment	(Submittal Form D)	75
Interviews		325
Cost/Fee	(Submittal Form G)	250
Alaska Offeror Preference		100
Total		1000

Note: Certain Alaska 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. If an Offeror qualifies for any Alaska Preference, the preferences will be applied as outlined in Section 5.

SEC. 5.02 RESPONSIVENESS

To be considered responsive, the Proposal MUST be received by the due date/time specified (as outlined in this RFP), and must be compliant with the requirements outlined in this solicitation and in Submittal Form A – Offeror Information and Submittal Form F – Mandatory Requirements.

SEC. 5.03 EVALUATION COMMITTEE

An Evaluation Committee will be used to evaluate specific portions of the Offerors Submittal Forms. The Evaluation Committee is expected to contain approximately 3-5 State employees that may or may not have technical expertise with this particular type of project/service.

SEC. 5.04 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) An evaluation committee, 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 Evaluation Committee. No cost information, schedule information, or team information will be shared or provided to the Evaluation Committee members.
- 5) The Evaluation Committee members 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 procurement officer, where the PEC will have a group discussion prior to finalizing their scores.
- 7) The Evaluators will submit their individual scores to the Procurement Officer, who will then average all of the evaluator responses.
- 8) The Procurement Officer will prioritize the Proposals based on: evaluator scores, fee/cost information, and Alaska preferences (as outlined in this Section).
- 9) The Procurement Officer may shortlist the Proposals and conduct interviews with the top rated Offerors.
- 10) The Evaluation Committee will evaluate and score the interviews and submit their scores to the Procurement Officer, who will incorporate these scores into the final prioritization.
- 11) The Evaluation Committee will meet a final time as a group to discuss the final prioritization and ranking.
- 12) The State will then conduct clarifications, negotiations, and award a contract.

SEC. 5.05 APPROACH

The Approach will be evaluated against the questions set out below:

- 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) The Offeror's ability to provide verifiable documented results of strategies and approaches that will be implemented on this contract.

SEC. 5.06 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 risk
- 3) The Offeror's ability to provide verifiable documented results of mitigation strategies (the impacts of their mitigation approach)

SEC. 5.07 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. 5.08 CONTRACT COST

Costs will not be evaluated/scored by an evaluation committee. The State will use the Offerors actual costs/fees submitted in the Proposal. The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

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

SEC. 5.09 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 **Department of Administration, Division of General Service's** web site:

<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. 5.10 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.

Alaska Bidder Preference Statement

In order to receive the Alaska Bidder Preference, the proposal must include a Statement certifying that the Offeror is eligible to receive the Alaska Bidder Preference. If the Offeror is a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner and include a statement certifying that all members or partners are residents of the State. If the Offeror is a joint venture which includes a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the State.

SEC. 5.11 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.

Alaska Veteran Preference Statement

In order to receive the Alaska Veteran Preference, the proposal must include a statement certifying that the Offeror is eligible to receive the Alaska Veteran Preference.

SEC. 5.12 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. 5.13 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 Evaluation Committee.

SEC. 5.14 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. **Project Director or Lead** – the individual with authority over the entirety of the project who will be interacting with the State team on a regular basis

2. **Stakeholder Engagement Lead** – the individual who will be primarily responsible for designing, implementing, and leading the stakeholder engagement process
3. **Governance Model Subject Matter Expert** – the individual who will be primarily responsible for developing and designing the governance models

The individuals that will be interviewed must be the same individuals that are identified in Submittal Form A of the Offerors Proposal. These individuals cannot be removed or replaced from this project, or their positions, for the duration of the contract.

No substitutes, proxies, phone interviews, or electronic interviews will be allowed. No other individuals (from the Offerors 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 Offerors 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/fee. 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.

SEC. 5.15 FINAL PRIORITIZATION

After the Shortlisted Offerors have been interviewed, evaluated, and scored by the Evaluation Committee, the Procurement Officer will perform a final prioritization.

SEC. 5.16 COST REASONABLENESS

Prior to performing clarifications and negotiations, the Procurement Officer will perform a cost reasonableness assessment of all of the shortlisted Proposals in the following manner:

- a. The State reserves the right to first consider Proposals that are within the stated budget.
- b. If the highest prioritized Offeror’s Total Cost is within 10% of the second highest prioritized Offeror’s Total Cost, the State reserves the right to proceed to invite the highest prioritized Offeror to the Clarification Period.
- c. 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. 5.17 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 project completed on time, without any cost increases, and with high customer satisfaction. It is the Offeror’s responsibility to ensure that the Offeror understands State’s subjective expectations. The Offeror is at risk, and part of the risk is understanding State’s expectations.

The Offeror will be required to preplan the project in detail to ensure that there are no surprises, and to prepare a Clarification Document, containing 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
- 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, 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, State's 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 based on the RFP's estimated budget range. Financial analysis includes and is not limited to standard accounting ratio analysis. Offeror will be required to provide the most recent three (3) 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 6 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. **Performance Metrics** – Identify how the Offeror will track and document their performance. Provide an actual performance metric report (containing sample data from a previous client/contract). Identify how the State will document this service as a success.
- i. **Provide Any Additional Requested Documentation:** Provide a detailed project/work plan, past and current client references, safety plans, staffing plans, warranties, 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.)

At any time during the Clarification Period, if the State is not satisfied with the progress being made by the invited Offeror, or if the Offeror and the State fail to agree to terms or fail to 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. 5.18 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all Offerors. 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 PERFORMANCE EVALUATIONS

The successful Offeror will be closely monitored for contract compliance. In summary, the State will evaluate Offeror'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
- Overall quality and performance of the services
- Responsiveness to correct deficiencies
- Conformance to the terms and conditions of the contract

The project evaluation assessments 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.

SEC. 6.02 MONTHLY REPORTING

The State will require the successful awarded Offeror to prepare and submit monthly reports. These reports are a tool for the State in analyzing changes that may occur throughout an awarded project. A 'change' is defined as anything that impacts (or may potentially impact) the original awarded project cost/fee/financial structure or project duration. This includes deviations that are caused by:

- Offeror (or entities contracted by DB Team)
- The State (scope changes or client-caused deviations)
- Third Parties (which are not hired or contracted by the Offeror)
- Unforeseen Conditions

The Monthly Report is an MS Excel spreadsheet file. As new or potential deviations occur (to cost or schedule), they 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. Offerors are not permitted to recreate or modify this template in any way. The State will assist the Offeror in setting up this spreadsheet but it is the Offeror'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 Offeror may perform).

The Monthly Report MUST be prepared and submitted by the awarded Offeror every month (first Monday of the month by 8 am) once the project is awarded, and MUST be submitted every month until the project is 100% complete. The State will review and analyze each Monthly Report for accuracy, following format requirements, and timely submittals.

SEC. 6.03 INFORMAL DEBRIEFING

When the contract is completed, an informal debriefing may be performed at the discretion of the Project Director. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

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 and submit the State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached in **Attachment 2** 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. Objections to any of the provisions in Appendix A must be set out in the Offeror's proposal.

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 procurement 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 procurement 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 procurement 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 procurement officer does so, and if the procurement 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 procurement 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 procurement 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 **SEC. 7.06 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 procurement 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 procurement 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 procurement 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.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement 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 procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SECTION 8. ATTACHMENTS

SEC. 8.01 ATTACHMENTS

Attachments:

- | | |
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| 1) Checklist | 7) Submittal Form B – Approach |
| 2) Standard Agreement Form - Appendix A | 8) Submittal Form C – Risk Assessment Plan |
| 3) Appendix B2 | 9) Submittal Form D – Value Opportunity Assessment |
| 4) Notice of Intent to Award | 10) Submittal Form E – Assumptions |
| 5) Notice of Intent to Propose and Non-Disclosure Form | 11) Submittal Form F – Mandatory Requirements |
| 6) Submittal Form A – Offeror Information | 12) Submittal Form G – Cost/Fee Proposal |