

STATE OF ALASKA REQUEST FOR PROPOSALS



PHARMACY DISPENSING AND SERVICES COST STUDY REQUEST FOR PROPOSALS (RFP) 2024-1600-0165

ISSUED NOVEMBER 20, 2023

THE STATE IS SEEKING A CONTRACTOR TO CONDUCT A STUDY OF THE COSTS TO PHARMACIES FOR DISPENSING PRESCRIPTIONS AND CERTAIN CONSUMABLE MEDICAL SUPPLIES AND PROVIDING NON-DISPENSING PHARMACEUTICAL CARE SERVICES TO ELIGIBLE ALASKA MEDICAID MEMBERS.

ISSUED BY:

DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE SERVICES

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OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

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TABLE OF CONTENTS

SECTION 1. INTRODUCTION & INSTRUCTIONS	4
SEC. 1.01 PURPOSE OF THE RFP	4
SEC. 1.02 BUDGET	4
SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS	4
SEC. 1.04 MANDATORY MINIMUM EXPERIENCE REQUIREMENTS	4
SEC. 1.05 REQUIRED REVIEW	4
SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS.....	4
SEC. 1.07 RETURN INSTRUCTIONS.....	4
SEC. 1.08 ASSISTANCE TO OFFERORS WITH A DISABILITY	5
SEC. 1.09 AMENDMENTS TO PROPOSALS	5
SEC. 1.10 AMENDMENTS TO THE RFP	5
SEC. 1.11 RFP SCHEDULE.....	5
SEC. 1.12 ALTERNATE PROPOSALS	6
SEC. 1.13 NEWS RELEASES.....	6
SECTION 2. BACKGROUND INFORMATION	7
SEC. 2.01 BACKGROUND INFORMATION	7
SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION	8
SEC. 3.01 SCOPE OF WORK.....	8
SEC. 3.02 DELIVERABLES	12
SEC. 3.03 CONTRACT TERM	13
SEC. 3.04 CONTRACT TYPE	13
SEC. 3.05 CONTRACT PAYMENT.....	13
SEC. 3.06 LOCATION OF WORK.....	13
SEC. 3.07 SUBCONTRACTORS	14
SEC. 3.08 JOINT VENTURES.....	14
SEC. 3.09 RIGHT TO INSPECT PLACE OF BUSINESS.....	14
SEC. 3.10 CONTRACT PERSONNEL	14
SEC. 3.11 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES	14
SEC. 3.12 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS.....	15
SEC. 3.13 NONDISCLOSURE AND CONFIDENTIALITY	15
SEC. 3.14 INDEMNIFICATION	16
SEC. 3.15 INSURANCE REQUIREMENTS	16
SEC. 3.16 TERMINATION FOR DEFAULT	16
SECTION 4. PROPOSAL FORMAT AND CONTENT	18
SEC. 4.01 RFP SUBMITTAL FORMS.....	18
SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS	18
SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)	18
SEC. 4.04 EXPERIENCE AND QUALIFICATIONS (SUBMITTAL FORM B)	19
SEC. 4.05 PROJECT PLAN AND IMPLEMENTATION (SUBMITTAL FORM C)	20
SEC. 4.06 PROJECT UNDERSTANDING AND METHODOLOGY (SUBMITTAL FORM D)	20
SEC. 4.07 MANDATORY MINIMUM EXPERIENCE REQUIREMENTS (SUBMITTAL FORM E)	20
SEC. 4.08 COST PROPOSAL (SUBMITTAL FORM F)	20
SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION	21
SEC. 5.01 SUMMARY OF EVALUATION PROCESS.....	21
SEC. 5.02 EVALUATION CRITERIA	21
SEC. 5.03 SCORING METHOD AND CALCULATION	22
SEC. 5.04 EXPERIENCE AND QUALIFICATIONS (SUBMITTAL FORM B)	23

SEC. 5.05	PROJECT PLAN AND IMPLEMENTATION (SUBMITTAL FORM C)	23
SEC. 5.06	PROJECT UNDERSTANDING AND METHODOLOGY (SUBMITTAL FORM D)	23
SEC. 5.07	CONTRACT COST (COST PROPOSAL – SUBMITTAL FORM E).....	23
SEC. 5.08	APPLICATION OF PREFERENCES	24
SEC. 5.09	ALASKA BIDDER PREFERENCE.....	25
SEC. 5.10	ALASKA VETERAN PREFERENCE	25
SEC. 5.11	ALASKA OFFEROR PREFERENCE	25
SEC. 5.12	OFFEROR NOTIFICATION OF SELECTION	26
SECTION 6.	GENERAL PROCESS AND LEGAL INFORMATION.....	27
SEC. 6.01	INFORMAL DEBRIEFING	27
SEC. 6.02	ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES	27
SEC. 6.03	STANDARD CONTRACT PROVISIONS	27
SEC. 6.04	QUALIFIED OFFERORS	28
SEC. 6.05	PROPOSAL AS PART OF THE CONTRACT.....	28
SEC. 6.06	ADDITIONAL TERMS AND CONDITIONS	28
SEC. 6.07	HUMAN TRAFFICKING	28
SEC. 6.08	RIGHT OF REJECTION	28
SEC. 6.09	STATE NOT RESPONSIBLE FOR PREPARATION COSTS.....	29
SEC. 6.10	DISCLOSURE OF PROPOSAL CONTENTS	29
SEC. 6.11	ASSIGNMENT	29
SEC. 6.12	DISPUTES	29
SEC. 6.13	SEVERABILITY	30
SEC. 6.14	SUPPLEMENTAL TERMS AND CONDITIONS.....	30
SEC. 6.15	SOLICITATION ADVERTISING	30
SEC. 6.16	SITE INSPECTION	30
SEC. 6.17	CLARIFICATION OF OFFERS.....	30
SEC. 6.18	DISCUSSIONS WITH OFFERORS.....	30
SEC. 6.19	CONTRACT NEGOTIATION	31
SEC. 6.20	FEDERALLY IMPOSED TARIFFS	31
SEC. 6.21	PROTEST	32

SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

The Department of Health, Division of Health Care Services (HCS) is soliciting proposals for a contractor to conduct a study of the costs to pharmacies for dispensing prescriptions and certain consumable medical supplies and providing non-dispensing pharmaceutical care services to eligible Alaska Medicaid members.

SEC. 1.02 BUDGET

DOH estimates a budget of \$150,000 for completion of this project. **Proposals priced at more than this amount will be considered non-responsive.**

Approval or continuation of a contract resulting from this RFP is contingent upon legislative appropriation.

SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **2:00 p.m. Alaska Time** on **December 13, 2023**. Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

SEC. 1.04 MANDATORY MINIMUM EXPERIENCE REQUIREMENTS

To be responsive for this RFP, an offeror must meet the mandatory minimum experience requirements that are provided in **Submittal Form E – Mandatory Requirements**. Failure to meet all these requirements will result in immediate disqualification.

SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and questionable or objectionable material should 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 proposal and exposure of offeror's proposals upon which award could not be made.

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.

SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit their proposals via email. The technical proposal and cost proposal must be saved as separate documents and emailed to doh.procurement.proposals@alaska.gov as separate, clearly labeled attachments. 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.

Please note that email transmission is not instantaneous. Similar to sending a hard copy proposal, if you are emailing your proposal, the State recommends sending it enough ahead of time to ensure the email is delivered by the deadline for receipt of proposals.

It is the offeror’s responsibility to contact the above email address to confirm that the proposal has been received. The State is not responsible for unreadable, corrupt, or missing attachments.

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 before the deadline for receipt of proposals, it will be provided to all who were notified 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 website.

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 RFP SCHEDULE

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	DATE
Issue Date / RFP Released	11/20/2023
Deadline to Submit Questions	12/1/2023
Deadline for Receipt of Proposals / Proposal Due Date	12/13/2023
Proposal Evaluations Complete	12/15/2023
Notice of Intent to Award	12/18/2023
Contract Issued	1/1/2024

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 Health, 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. 1.12 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. 1.13 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 BACKGROUND INFORMATION

HCS is soliciting proposals for a contractor to conduct a study of the costs to pharmacies for dispensing prescriptions and certain consumable medical supplies and providing non-dispensing pharmaceutical care services to eligible Alaska Medicaid members.

The most recent Cost of Dispensing survey was performed during 2019; the results can be found on the Alaska Medicaid website at:

https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Updates/Update_AK_2020_COD_Report.pdf

The Centers for Medicare and Medicaid Services (“CMS”) Covered Outpatient Drug Final Rule addresses Medicaid drug reimbursement to pharmacies – refer to CMS-2345-FC. The specific goals of the Final Rule are to ensure a Medicaid agency’s reimbursement to a pharmacy is aligned with the pharmacy’s actual acquisition cost of the drug and an appropriate professional dispensing fee.

Data shows Alaska Medicaid currently has approximately 250 actively enrolled pharmacy providers and approximately 200 enrolled medical supply providers of various specialty. For State Fiscal Year (SFY) 2022, Medicaid processed a total of over 1.55 million pharmacy claims which resulted in a total reimbursement to pharmacies of approximately \$25 million in dispensing fees.

Various statutory law and regulation changes have occurred in Alaska and nationally since the last dispense fee survey that should be taken into consideration:

- Pharmacists under a pharmacy professional group may bill for non-dispensing services.
- Pharmacist independent prescribing authority for vaccines, naloxone.

Additionally, legislative reports have suggested additional opportunities for further efficiencies in pharmacy reimbursement.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 SCOPE OF WORK

HCS is soliciting proposals for a contractor to conduct a study of the costs to pharmacies for dispensing prescriptions and certain consumable medical supplies and providing non-dispensing pharmaceutical care services to eligible Alaska Medicaid members.

The goal of this project is to establish a professional dispensing fee for pharmaceuticals dispensed by Alaska Medicaid Enrolled Pharmacies and research costs for the provision of non-dispensing pharmaceutical care services by pharmacists and dispensing consumable medical supplies by pharmacies to Alaska Medicaid members.

The contractor shall conduct a survey of all Alaska Medicaid enrolled outpatient pharmacies within and outside of Alaska in a manner that is administratively and financially non-burdensome to the pharmacies. The survey must first be Alaska / HCS Medicaid approved and will be available on the Alaska / HCS Medicaid website. The final Medicaid approved survey will be available on the Medicaid website and is to be completed by all enrolled outpatient pharmacies within and outside the State of Alaska in a manner that is administratively and financially non-burdensome to the pharmacy.

The contractor will then perform an analysis of this data, provide statistical information and tiered recommendations on the cost to pharmacies to dispense prescriptions to Alaska Medicaid members for Covered Outpatient Drugs as defined by the Alaska Medicaid State Plan and federal regulation (42 CFR 447.500-540), and identify other products available for dispensing under a valid health care provider's prescription order.

The survey must also consider the cost of providing pharmaceutical care services, such as a detailed medication regimen review and treatment plan development for complex health conditions, opioid and polysubstance dependency and misuse, medication stewardship (e.g., antibiotic), medication compliance management, and transitions of care (e.g., medication reconciliation). This includes pharmaceutical care services originating from a prescription order but results in no medication being dispensed due to professional prospective drug utilization review activities.

The current dispense fee structure reflects four tiers:

- On-the-road, in-state
- Off-the-road, in-state
- Out-of-state
- Mediset

The contractor shall ensure the survey is sufficiently structured to stratify survey results based on pharmacy taxonomy/specialty/practice setting designation (e.g., retail independent, retail chain, home infusion, long-term care, specialty, mediset, etc.) as well as medication designation (e.g., Rx-only, specialty, OTC, etc.).

The contractor may be required to meet with the pertinent stakeholders telephonically or via webinar – both options being available in a toll-free format – to solicit comments regarding the survey's design.

The contractor shall be responsible for, at minimum, the following services:

Survey Design

Design a survey instrument to collect data elements to estimate the pharmacy costs related to the professional dispensing of prescriptions and other medical supply services to Alaska Medicaid members. The CODS must

include clear and detailed instructions directed to the Medicaid Enrolled Pharmacies. The following guidelines shall be considered (although additional data elements may be proposed by the contractor):

- Stakeholder Engagement:
 - a) The contractor may be required to meet with pertinent public stakeholders face-to-face, telephonically or via webinar – both options being available in a toll-free format – to solicit comments regarding the survey’s content and design. Summaries of stakeholder meetings shall be provided to HCS.
- Survey Deliverable:
 - a) The contractor will be expected to confer with HCS during survey development and must receive approval of the instrument and associated documentation from HCS prior to distribution. A complete list of costs, both allowable into and excluded from, the professional dispensing fee calculation will also be presented to HCS by the contractor. Along with the list of allowable expenses, the method of the allocation to the individual pharmacy’s overall cost of dispensing must be provided for HCS review.

Pharmacy Survey Dissemination and Implementation

Disseminate and implement the professional cost of dispensing survey through outreach to Enrolled Pharmacies

- All Alaska Medicaid enrolled pharmacies will be required to participate in the mandatory CODs. Alaska Medicaid has approximately 250 enrolled pharmacy providers of which 127 are located in Alaska.
- The contractor shall ensure, validate, and document timely receipt of the survey instrument by each Enrolled Pharmacy. The contractor shall conduct and document reminder phone calls with all non-responsive Enrolled Pharmacies at a designated point during the survey period. The contractor shall send reminder notices, in writing via email or hard-copy letters, to all non-responsive Enrolled Pharmacies on or before the due date indicated in the survey instructions. The contractor shall provide HCS with weekly status updates that include a list of responsive versus non-responsive Enrolled Pharmacies.

Survey Data Collection and Retention

- The contractor shall collect survey data from all Alaska Medicaid enrolled pharmacies.
- The contractor shall employ a mechanism to maintain survey information confidentially.
- The contractor shall compile the CODs data into a database, which has been reviewed and approved by the HCS for analysis.
- The contractor shall provide HCS with aggregate data.
- On request of HCS, the contractor shall provide HCS with survey data collected, sufficient to conduct independent auditing and verification of reported costs.
- The contractor shall retain all collected raw data for a minimum of seven (7) years.

Survey Data Analysis

- The contractor shall validate the CODs through a sound, documented statistical validation process, including comparing a random sample of Enrolled Pharmacies’ supporting documentation (e.g., tax records, blueprints, etc.) to the submitted surveys.
- The statistical instrument shall be designed in such a way as to accurately capture costs of dispensing for I/T/U pharmacies employing non-traditional revenue modalities and facility models.

- The contractor shall have a mechanism in place to identify anomalous data points and request confirmatory documentation when necessary to ensure data integrity. The contractor shall make every effort to correct erroneous data submissions, including, but not limited to, misidentified and incomplete cost data.
- The contractor shall validate the CODS response rate by calculating statistical standards such as mean, standard deviation, standard error, median, and confidence level. Additionally, the contractor must validate the proposed professional dispensing fee for each categorical subgroup by calculating statistical standards such as mean, standard deviation, standard error, median, and confidence level. The contractor shall certify the findings are statistically sound, such as by providing written documentation from a statistician.
- The contractor shall analyze the CODS data, including performing appropriate statistical comparison of un-weighted and weighted means to identify significant differences between specific categories of pharmacy characteristics, including, but not limited to, surveyed *Data Elements*.
- The contractor shall compare the Alaska-based survey results to other recent (within the past 2 years) national and state CODS results. The comparative CODS considered must consider the 42 CFR 447 professional dispensing rule.
- The contractor shall perform financial modeling, including re-pricing significant volumes of Medicaid pharmacy claims to assess budget impact.

Reporting

- Produce explanatory report(s) and graphics to support the analysis of survey findings, including financial modeling of proposed professional dispensing fee recommendations. Once the findings are finalized and approved by HCS, the contractor shall prepare a final report and present the findings to the HCS and other stakeholders as identified by HCS.

Survey Elements

All relevant costs associated with operating a pharmacy, professional dispensing of prescriptions and non-prescription medications, and providing pharmaceutical care to all consumers (not just Medicaid members) shall be included in the CODS. The CODS shall include, but is not limited to, the following data elements:

- a) Staffing
 - i. Salaries and wages (pharmacists, technicians, managers, cashiers, etc.)
 - ii. Incentive payments (e.g., sign-on bonus, etc.)
 - iii. Employee benefits (employer health insurance premiums, cost contributions, fees, etc.)
 - iv. Payroll taxes

- b) Pharmacy store operations and overhead
 - i. Rent or mortgage
 - ii. Cleaning, repairs, and security
 - iii. Utilities (heat, light, telephones)
 - iv. Computer systems, software, and maintenance
 - v. Equipment rental
 - vi. Accounting
 - vii. Insurance (liability/property insurance, worker's compensation, etc.)
 - viii. Taxes and licenses
 - ix. Interest paid on pharmacy-related debt
 - x. Depreciation (building)

- xi. Accounts receivable expenses (i.e., waiting on payment), excluding bad debt
- xii. PDMP reporting activities

c) Preparing and dispensing prescriptions

- i. Prescription dispensing materials (packages, labels, pill counters, etc.)
- ii. Measurement or Mixing/Compounding the Rx (if necessary)
- iii. Filling the container
- iv. Special packaging (unit dose, blister packs, bingo cards, compliance packaging)
- v. ePrescribing related costs
- vi. Shipping costs in excess of \$16, which are not eligible for independent reimbursement through other payment methodologies, shall be included
- vii. Allowable activities to be included in salary expense.
 - 1. Pharmacist time in checking the computer about an individual's coverage
 - 2. Drug use review
 - 3. PDMP clinical activities
 - 4. Prior authorization activities
 - 5. Consumer/patient counseling
 - 6. Consulting with prescribers
 - 7. Dispensing to practitioner offices
 - 8. Claims processing resolution activities (contacting insurance)
- viii. Central vs. remote/tele- pharmacy
- ix. Education and training (excluding travel)

Where necessary, costs shall be allocated by the contractor between prescription and nonprescription sales, which requires collection of additional data elements such as total pharmacy and non-pharmacy sales, cost of goods sold, and other shared expenses (e.g., allocation of floor space, utilities, taxes, etc.). Allowable costs allocated to pharmacies positioned in larger facilities shall be distributed using sound methodology. In the CODS results, the contractor must include all approved aspects of cost of dispensing. Non-allowable costs to be excluded from the cost of dispensing calculation shall be presented to HCS by the contractor and approved by the HCS. Any significant unforeseen flaws or limitations present in the survey discovered by the contractor in the course of its execution or analysis rendering it unable to meet any of the defined deliverables shall be immediately reported to HCS.

The contractor shall ensure that information from the categories listed below can be drawn from the CODS survey data. At a minimum, statewide dispensing cost per prescription shall be calculated by the contractor to show any variations across the following categories:

- a) All pharmacies within the state of Alaska combined data
- b) Retail chain and independent/non-chain pharmacies
- c) Urban, rural, frontier, tribal pharmacies
- d) I/T/U vs non-I/T/U pharmacies
- e) Medicaid/total prescription volume (both total prescription volume and as a percentage of total prescription volume)
- f) [Medicaid + Medicare]/total prescription volume (both total prescription volume and as a percentage of total prescription volume)
- g) Cash, Medicaid, Medicare, Other Governmental, Other 3rd Party prescription distribution
- h) Long-term care (both total prescription volume and as a percentage of total prescription volume)
- i) 340B pharmacies (including pharmacies dispensing drugs for 340B entities and 340B entity owned pharmacies)

- j) In state vs. out of state dispensing costs
- k) High volume vs. low volume pharmacies
- l) Medi-set pharmacies
- m) Compounding pharmacies
- n) Specialty pharmacies dispensing to members
- o) Specialty or retail pharmacies dispensing to practitioner offices (i.e., limited distribution networks, etc.)
- p) Home Infusion pharmacies
- q) Dually enrolled pharmacy and medical supplies providers
- r) Non-dispensing consultant pharmacies

Although not required, HCS will consider reports proposed by the contractor prior to survey finalization that contain additional comparisons. The types of staff in DOH that the contractor must interview are the Pharmacy Program Manager, Drug Utilization Review Pharmacist, and the Office of Rate Review.

SEC. 3.02 DELIVERABLES

The contractor will be required to provide the following deliverables within the corresponding anticipated deadlines; these deadlines may be shifted after approval from HCS:

Deliverable	Anticipated Deadline
1) Kickoff meeting with the HCS. This meeting may be conducted via webinar/conference call.	Early January 2024
2) Stakeholder meeting(s); may be conducted via webinar/conference call.	End of-January 2024
3) Summaries of stakeholder meetings provided to HCS.	Early-February 2024
4) Customize the survey instrument and host meeting with HCS.	Mid-February 2024
5) Finalize survey instrument and detailed instructions. HCS must approve the contractor’s survey instrument and any accompanying survey materials (e.g., messaging, instructions) before the CODS is sent to Enrolled Pharmacies.	Early-March 2024
6) Disseminate the approved survey and accompanying documentation to Enrolled Pharmacies, collect responses, and compile CODS data.	March 2024 through April 2024
7) Provide technical, telephone, and email support to Enrolled Pharmacies and stakeholders.	Ongoing throughout contract term
8) Provide twice weekly updates: the contractor shall provide, at a minimum, twice weekly updates to the HCS project director or designee, which may include a combination of emails and conference calls. At least one communication per week must be made via conference call and at least one communication per week must provide an update that includes a list of responsive versus non-responsive Enrolled Pharmacies. The Contractor shall conduct detailed coordination activities with HCS to implement and maintain the Contract tasks. This coordination may be in electronic format, via phone/webinar-based conference calls, or hard copy (memos, letters, etc.).	Ongoing throughout contract term
9) Provide interim/draft report: the contractor’s interim report shall provide an update on the number of surveys received and response rate, as well as preliminary findings, such as a range of costs and/or simple averages or medians.	Early April 2024

10) Submit verification process/validation report.	Early May2024
11) Develop and submit preliminary draft of the final report to HCS to include the proposed professional dispensing fee structure and financial modeling and budget impact analysis (by federal fiscal year). The contractor must address any questions or concerns raised at this meeting within five (5) business days.	Mid-May 2024
12) Provide preliminary final reports: the contractor shall submit preliminary final reports to the HCS. The contractor must address any questions or concerns raised at this meeting within five (5) business days.	Late-May 2024
13) Provide preliminary final reports: Upon approval of the preliminary final reports, the contractor must travel to Anchorage to present the preliminary final reports to a panel of HCS staff and representatives from the engaged stakeholder groups. The contractor must address any questions or concerns raised at this meeting within five (5) business days.	Mid-June 2024
14) Provide final reports: the contractor shall submit final reports to HCS for final acceptance.	End of June 2024
15) Upon delivering the final reports to HCS, the contractor shall provide to HCS an electronic copy of the database containing aggregated, blinded data from survey respondents.	End of June 2024

SEC. 3.03 CONTRACT TERM AND TYPE

The length of the contract will be from the date of award until the project is complete (estimated to take six months).

SEC. 3.04 CONTRACT TYPE

This contract is a firm fixed price contract as identified in Submittal Form E – Cost Proposal.

SEC. 3.05 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Commissioner of the Department of Health or the Commissioner's designee. The state will then make a single payment when all of the deliverables are received, and the contract is completed and approved by the project director.

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. 3.06 LOCATION OF WORK

The state will not provide workspace for the contractor. The contractor must provide its own workspace.

- While unlikely, the contractor may be required to participate in an on-site data verification audit in Anchorage, Alaska. Should that occur, the contractor will work with the HCS Project Director on needed personnel and related costs to complete the work, and prior to any of the work commencing, an amendment to the contract must be executed by the procurement officer.
- Related travel costs shall be billed to the state as a pass-through and paid in accordance with the Alaska Administrative Manual (AAM) 60, which allows for reimbursement for coach airfare, lodging cost, ground transportation cost (rental car, taxi, parking, etc.) and meal and incidental expenses. The contractor will

use good faith, diligent effort to minimize airfare and lodging costs, and for meal and incidental expenses, between arrival and departure in Anchorage, the contractor will be paid \$60 per day per employee. All costs referenced herein must be itemized and added as separate lines on the invoice.

- In a situation when the audit is completed but the contractor's personnel is weathered in or delayed from return due to another natural disaster, the contractor will be allowed to bill for travel costs in accordance with this section. No additional charges shall be allowed.
- No reimbursement shall be made for alcoholic beverages, entertainment, or what might be otherwise considered normal living expenses.

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. 3.07 SUBCONTRACTORS

Subcontractors will not be allowed, except in the case of an audit as described in Section 3.06.

SEC. 3.08 JOINT VENTURES

Joint ventures will not be allowed.

SEC. 3.09 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. 3.10 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 project director or procurement officer. Changes that are not approved by the state may be grounds for the state to terminate the contract.

SEC. 3.11 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 or procurement officer 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. 3.12 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 procurement officer has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Health or the Commissioner's designee.

SEC. 3.13 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.).

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. 3.14 INDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the contractor 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 contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", 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. 3.15 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 procurement 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.

SEC. 3.16 TERMINATION FOR DEFAULT

If the project director or procurement 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 the forms 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.

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 special formatting requirements identified in this section.

Documents and Text: All attachment documents must be written in the English language, be single sided, and be single spaced with a minimum font size of 10. Pictures or graphics may be used if the offeror feels it is necessary to communicate their information, however, be aware of the below requirements for 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		N/A
Submittal Form B – Experience and Qualifications	YES	5
Submittal Form C – Project Plan and Implementation	YES	5
Submittal Form D – Project Understanding and Methodology	YES	5
Submittal Form E – Mandatory Requirements		N/A
Submittal Form E – Cost Proposal		N/A

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. Failure to submit any of the Submittal Forms will result in the proposal being deemed non-responsive and rejected.

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; and
- g) that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] 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 EXPERIENCE AND QUALIFICATIONS (SUBMITTAL FORM B)

Offerors must provide detail on their specific experience conducting COD surveys, including those that involved tribal entities and populations along with their related demographics, remote location challenges, and overall cultural considerations.

Offerors must also provide a detailed description of primary project manager's experience (in addition to the Mandatory Minimum Experience Requirements in Submittal Form F) along with the directly related experience of the overall project team identified in Submittal Form A.

For both above, this can include other specific areas of expertise, development of survey instruments, statistical analysis, the practice of pharmacy claims pricing, financial modeling (including re-pricing significant volumes of Medicaid pharmacy claims to assess budget impact), drug pricing ACA FUL and 340B, CMS State Plan Amendment processes, and CMS regulations affecting Medicaid drug pricing.

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. 4.05 PROJECT PLAN AND IMPLEMENTATION (SUBMITTAL FORM C)

Offerors must present a plan to implement and complete the Cost of Dispensing Survey (CODS) to estimate costs to all pharmacy types associated with dispensing of Alaska Medicaid outpatient prescription drugs, certain consumable medical supplies, and non-dispensing pharmaceutical care services. The offeror's proposed plan must include a detailed description for, at minimum:

- The survey instrument, documentation, maintenance of confidentiality of the information submitted.
- Analysis tools, validation, auditing and confirmation of anomalous reported data, interim and final reporting.
- While HCS Alaska anticipates the most efficient way to collect survey data is in an electronic format from most/all pharmacies, a concern is that many pharmacies do not have reliable or consistent internet capabilities. Therefore, the offeror must present an alternate method of collection for a subset of providers at no extra cost to these providers. This includes how pharmacies should report data, and any administrative or financial burden, if any, that will be necessary of the pharmacy. HCS anticipates the reporting associated with this project to result in no additional charges to the pharmacy provider.

Offerors must present any other details regarding their plan (and its implementation) they think are important to the success of this project, including how they will coordinate with, receive, and validate data related to tribal entities and populations while considering their related demographics, remote location challenges, and overall cultural considerations.

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 PROJECT UNDERSTANDING AND METHODOLOGY (SUBMITTAL FORM D)

Offerors must detail their understanding of the requirements of the project as well as the methodology they intend to employ to accomplish the work and meet the state's needs.

Offerors must also identify any potential issues, risks, or problems they foresee with this project and how they will address them.

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. 4.07 MANDATORY MINIMUM EXPERIENCE REQUIREMENTS (SUBMITTAL FORM E)

Offerors must complete and submit this Submittal Form.

SEC. 4.08 COST PROPOSAL (SUBMITTAL FORM F)

Offerors 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. The costs identified on the cost proposal are the total amount of costs to be paid by the state. No additional charges shall be allowed.

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

SEC. 5.01 SUMMARY OF EVALUATION PROCESS

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

- 1) Proposals will be assessed for overall responsiveness. Proposals deemed non-responsive will be eliminated from further consideration.
- 2) A proposal evaluation committee (PEC), made up of at least three state employees or public officials, will evaluate specific parts of the responsive proposals.
- 3) The Submittal Forms, from each responsive proposal, will be sent to the PEC. No cost information will be shared or provided to the PEC.
- 4) The PEC will independently evaluate and score the documents based on the degree to which they meet the stated evaluation criteria.
- 5) After independent scoring, the PEC will have a meeting, chaired by the procurement officer, where the PEC may have a group discussion prior to finalizing their scores.
- 6) The evaluators will submit their final individual scores to the procurement officer, who will then compile the scores and calculate awarded points as set out in Section 5.03.
- 7) The procurement officer will calculate scores for cost proposals as set out in Section 5.08 and add those scores to the awarded points along with factoring in any Alaska preferences.
- 8) The procurement officer may ask for best and final offers from offerors susceptible for award and revise the cost scores accordingly.
- 9) The state will then conduct any necessary negotiations with the highest scoring offeror and award a contract if the negotiations are successful.

SEC. 5.02 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 Minimum Experience Requirements (Submittal Form E)	Pass/Fail

Technical Criteria	Weight
Experience and Qualifications (Submittal Form B)	200
Project Plan and Implementation (Submittal Form C)	200
Project Understanding and Methodology (Submittal Form D)	100
Total	500

Cost Criteria	Weight
Cost Proposal (Submittal Form F)	400
Total	400

Preference Criteria	Weight
Alaska Offeror Preference (if applicable)	100

TOTAL EVALUATION POINTS AVAILABLE: 1000

SEC. 5.03 SCORING METHOD AND CALCULATION

The PEC will evaluate responses against the questions set out in Sections 5.04 through 5.07 and assign a single score for each section. Offerors’ 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:

- 1) Maximum Points Available / Maximum Combined PEC Score Possible
- 2) Combined PEC Score x Result of 1)

Example (Max Points Available for the Section = 100):

	PEC Member 1 Score	PEC Member 2 Score	PEC Member 3 Score	PEC Member 4 Score	Combined Total Score	Points Awarded
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 1 was awarded 75 points:

$$\frac{\text{Maximum Points Available (100)}}{\text{Maximum Combined PEC Score Possible (40)}} = 2.5$$

$$\text{Combined PEC Score (30)} \times 2.5 = \text{Points Awarded (75)}$$

Offeror 2 was awarded 50 points:

$$\frac{\text{Maximum Points Available (100)}}{\text{Maximum Combined PEC Score Possible (40)}} = 2.5$$

$$\text{Combined PEC Score (20)} \times 2.5 = \text{Points Awarded (50)}$$

Offeror 3 was awarded 100 points:

$$\frac{\text{Maximum Points Available (100)}}{\text{Maximum Combined PEC Score Possible (40)}} = 2.5$$

Combined PEC Score (40) x 2.5 = Points Awarded (100)

SEC. 5.04 EXPERIENCE AND QUALIFICATIONS (SUBMITTAL FORM B)

This portion of the offeror's proposal will be evaluated against the following questions:

- 1) How well did the offer detail their specific experience conducting COD surveys, including those that involved tribal entities and populations along with their related demographics, remote location challenges, and overall cultural considerations?
- 2) How well did the offeror detail the primary project manager's experience (in addition to the Mandatory Minimum Experience Requirements in Submittal Form E) and the directly related experience of the overall project team?
- 3) To what degree did the offeror include other specific areas of expertise, development of survey instruments, statistical analysis, practice of pharmacy claims pricing, and financial modeling?

SEC. 5.05 PROJECT PLAN AND IMPLEMENTATION (SUBMITTAL FORM C)

This portion of the offeror's proposal will be evaluated against the following questions:

- 1) How well did the offeror present their plan to implement and complete the CODS survey?
- 2) How well did the offeror present any other details regarding their plan and its implementation?

SEC. 5.06 PROJECT UNDERSTANDING AND METHODOLOGY (SUBMITTAL FORM D)

This portion of the offeror's proposal will be evaluated against the following questions:

- 1) How well did the offeror demonstrate their understanding of the requirements of the project and the methodology they intend to employ to accomplish the work and meet the state's needs?
- 2) How well did the offeror identify potential issues, risks, or problems they foresee with this project and how they will address them.?

SEC. 5.07 CONTRACT COST (COST PROPOSAL – SUBMITTAL FORM E)

Overall, a minimum of 40% of the total evaluation points will be assigned to cost. After the procurement officer applies any applicable preferences, the offeror with the lowest total cost will receive the maximum number of points allocated to cost per 2 AAC 12.260(c). The point allocations for cost on the other proposals will be determined using the following formula:

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

Example (Max Points for Contract Cost = 400):

Step 1

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

Step 2

In this example, the RFP allotted 40% of the available 1,000 points to cost. This means that the lowest cost will receive the maximum number of points.

Offeror #1 receives 400 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 400 points.

Offeror #2 receives 374.3 points.

*$\$40,000$ lowest cost x 400 maximum points for cost = 16,000,000 ÷ $\$42,750$ cost of Offeror #2's proposal = **374.3***

Offeror #3 receives 336.8 points.

*$\$40,000$ lowest cost x 400 maximum points for cost = 16,000,000 ÷ $\$47,500$ cost of Offeror #3's proposal = **336.8***

SEC. 5.08 APPLICATION OF PREFERENCES

Certain preferences apply to all state contracts, 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. 5.09 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 Certification Form

In order to receive the Alaska Bidder Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror does not need to complete the Alaska Veteran Preference questions on the form if not claiming the Alaska Veteran Preference. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

SEC. 5.10 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.

In accordance with AS 36.30.321(i), the bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other state agencies, other government, or the general public.

Alaska Veteran Preference Certification

In order to receive the Alaska Veteran Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

SEC. 5.11 ALASKA OFFEROR PREFERENCE

Per 2 AAC 12.260, if an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10% of the total available points, which will be added to the offeror's overall evaluation score.

Example:

Step 1

Determine the number of points available to qualifying offerors under this preference:

1000 Total Points Available in RFP x 10% Alaska Offeror preference = 100 Points for the preference

Step 2

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska Offeror preference. For the purpose of this example, presume that all proposals have been completely evaluated based on the evaluation criteria in the RFP. The scores at this point are:

Offeror #1	830 points	No Preference	0 points
Offeror #2	740 points	Alaska Offeror Preference	100 points
Offeror #3	800 points	Alaska Offeror Preference	100 points

Step 3

Add the applicable Alaska Offeror preference amounts to the offerors' scores:

Offeror #1	830 points
Offeror #2	840 points (740 points + 100 points)
Offeror #3	900 points (800 points + 100 points)

Offeror #3 is the top scoring offeror.

SEC. 5.12 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the procurement officer will issue a written Notice of Intent to Award and send copies of that notice to all offerors who submitted proposals. The notice will list the names of all offerors and identify the offeror selected for award.

SECTION 6. GENERAL PROCESS AND LEGAL INFORMATION

SEC. 6.01 INFORMAL DEBRIEFING

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

SEC. 6.02 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 Preference 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** 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. 6.03 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign the state's Standard Agreement Form for Professional Services Contracts with 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. 6.04 QUALIFIED OFFERORS

Per 2 AAC 12.875, unless provided for otherwise in the RFP, to qualify as an offeror for award of a contract issued under AS 36.30, the offeror must:

- 1) Add value in the contract by actually performing, controlling, managing, or supervising the services to be provided; or
- 2) Be in the business of selling and have actually sold on a regular basis the supplies that are the subject of the RFP.

If the offeror leases services or supplies or acts as a broker or agency in providing the services or supplies in order to meet these requirements, the procurement officer may not accept the offeror as a qualified offeror under AS 36.30.

SEC. 6.05 PROPOSAL AS PART OF THE CONTRACT

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

SEC. 6.06 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. 6.07 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: <https://www.state.gov/trafficking-in-persons-report/>

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

SEC. 6.08 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. 6.09 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. 6.10 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 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. 6.11 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. 6.12 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. 6.13 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. 6.14 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with Section 6.08 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. 6.15 SOLICITATION ADVERTISING

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

SEC. 6.16 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. 6.17 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

SEC. 6.18 DISCUSSIONS WITH OFFERORS

The state may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the procurement officer or the PEC. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

SEC. 6.19 CONTRACT NEGOTIATION

After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals.

If the selected offeror:

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the offeror and the state, after a good faith effort, simply cannot come to terms,

The state may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

SEC. 6.20 FEDERALLY IMPOSED TARIFFS

Changes in price (increase or decrease) resulting directly from a new or updated federal tariff, excise tax, or duty, imposed after contract award may be adjusted during the contract period or before delivery into the United States via contract amendment.

- **Notification of Changes:** The contractor must promptly notify the procurement officer in writing of any new, increased, or decreased federal excise tax or duty that may result in either an increase or decrease in the contract price and shall take appropriate action as directed by the procurement officer.
- **After-imposed or Increased Taxes and Duties:** Any federal excise tax or duty for goods or services covered by this contract that was exempted or excluded on the contract award date but later imposed on the contractor during the contract period, as the result of legislative, judicial, or administrative action may result in a price increase provided:
 - a) The tax or duty takes effect after the contract award date and isn't otherwise addressed by the contract;
 - b) The contractor warrants, in writing, that no amount of the newly imposed federal excise tax or duty or rate increase was included in the contract price, as a contingency or otherwise.
- **After-relieved or Decreased Taxes and Duties:** The contract price shall be decreased by the amount of any decrease in federal excise tax or duty for goods or services under the contract, except social security or other employment [taxes](#), that the contractor is required to pay or bear, or does not obtain a refund of, through the contractor's fault, negligence, or failure to follow instructions of the procurement officer.
- **State's Ability to Make Changes:** The state reserves the right to request verification of federal excise tax or duty amounts on goods or services covered by this contract and increase or decrease the contract price accordingly.

- **Price Change Threshold:** No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

SEC. 6.21 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."