

**CONSULTING SERVICES ITQ
CONTRACT 4400007410**

REQUEST FOR QUOTATIONS FOR

Pennsylvania Insurance Exchange Planning and Implementation

ISSUING OFFICE

**Pennsylvania Insurance Department
Office of Special Projects, through the Bureau of Administration
1326 Strawberry Square
Harrisburg, PA 17120**

**RFQ NUMBER
6100022192**

DATE OF ISSUANCE

May 2, 2012

This is a restricted solicitation under the Commonwealth's Consulting Services, Invitation to Qualify (ITQ), - Contract #4400007410. Only those contractors qualified in the following service category(s) under Contract #4400007410 may submit a proposal in response to this RFQ.

- **Actuarial Services- Actuarial Consultant Healthcare/Medical Area 1**
- **Health Care Services - General**

For more information about the Consulting Services ITQ, please click on the following link.

http://www.portal.state.pa.us/portal/server.pt/community/invitation_to_qualify/4641/wher_to_star_t/495422

REQUEST FOR QUOTATIONS

FOR

Pennsylvania Insurance Exchange Planning and Implementation

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to: RA-IN-EXCH-VEND-QRY@PA.GOV .	Contractors	Tuesday, May 15, 2012
Preproposal Conference – Location: TO BE DETERMINED.	Issuing Office/ Contractors	Friday, May 18, 2012, 1:00PM to 3:30 PM EST
Answers to Potential Contractor questions posted to <i>DGS Emarketplace and the Issuing Office's Website</i> no later than this date.	Issuing Office	Tuesday, May 22, 2012
Please monitor the <i>DGS Emarketplace and the Issuing Office's Website</i> for all communications regarding the RFQ.	Contractors	N/A
Proposals must be submitted through the PA Supplier Portal no later than 4:30 PM EST on Monday, June 4, 2012.	Contractors	Monday, June 4, 2012 by 04:30 PM EST

PART I

GENERAL INFORMATION

I-1. Purpose

This Request for Quotes ("RFQ") provides sufficient information to qualified Contractors to enable them to prepare and submit proposals for the Pennsylvania Insurance Department Office of Special Projects' (through the Bureau of Administration) ("Department") consideration on behalf of the Commonwealth of Pennsylvania ("Commonwealth") to satisfy a need for assistance in development and planning for the feasibility and design of a potential Pennsylvania Health Insurance Exchange ("Project").

I-2. Issuing Office

The Department ("Issuing Office") has issued this RFQ on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFQ shall be Pennsylvania Insurance Department Bureau of Administration, 1326 Strawberry Square, Harrisburg, PA 17120 Attn: Peter J. Salvatore, RA-IN-EXCH-VEND-QRY@PA.GOV, the Issuing Officer for this RFQ. Please refer all inquiries to the Issuing Officer.

I-3. Scope

This RFQ contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Contractors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFQ.

I-4. Problem Statement

The Affordable Care Act (The Patient Protection and Affordable Care Act (PL 111-148) and the Health Care and Education Affordability Act of 2010 (PL 111-152), together and as amended, referred to as the "Affordable Care Act" or "ACA") requires the establishment of an "American Health Benefits Exchange" in each state (or an innovative alternative). The "exchange" must facilitate the purchase of qualified health plans and provide for the establishment of a "Small Business Health Options Program". As such, the exchange will provide a marketplace for certain individuals and small businesses to shop for and purchase private health insurance coverage, or, if determined eligible, be enrolled in an appropriate public health coverage program such as Medicaid or the Children's Health Insurance Program ("CHIP"). Each state may, at its option, establish and implement a state exchange, and the Pennsylvania Insurance Department intends to continue planning for the development of a Pennsylvania exchange by continuing its previous research-supported efforts. The purpose of this planning is to validate preliminary decisions, and to ensure that any potential online health insurance marketplace designed by the Commonwealth meets the unique needs of its residents, satisfies the objectives of the Commonwealth and obtains certification from the federal government. Additional detail is provided in **Part IV** of this RFQ.

I-5. Preproposal Conference.

The Issuing Office will hold a preproposal conference as specified in the Calendar of Events. The purpose of this conference is to provide opportunity for clarification of the RFQ. Contractors should forward all questions to the Issuing Office in accordance with **Section I-6** to ensure adequate time for analysis before the Issuing Office provides an answer. Contractors may also ask questions at the conference. In view of the limited facilities available for the conference, Contractors should limit their representation to 2 persons per Contractor. The preproposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Issuing Office. All questions and written answers will be posted on the Commonwealth's Department of General Services ("DGS") website as an addendum to, and shall become part of, this RFQ. Attendance at the Preproposal Conference is mandatory. Failure to attend the preproposal conference shall disqualify a Contractor from consideration for selection as the best value contractor for this RFQ, and its proposal will be returned unopened.

I-6. Questions and Answers

If a Contractor has any questions regarding this RFQ, the Contractor must submit the questions by email (with the subject line "Consulting Services ITQ RFQ NUMBER 6100022192 Question") to the Issuing Officer at RA-IN-EXCH-VEND-QRY@PA.GOV. If the Contractor has questions, they must be submitted via email no later than the date and time specified in the Calendar of Events. The Contractor shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the DGS Emarketplace and the Issuing Office's Website.

A Contractor who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Contractor to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Contractor to specific provisions in the RFQ. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer will be provided to all Contractors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFQ. Each Contractor shall be responsible to monitor the DGS website for new or revised RFQ information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFQ or formally issued as an addendum by the Issuing Office.

I-7. Addenda to RFQ

If the Issuing Office deems it necessary to revise any part of this RFQ before the proposal response date, the Issuing Office will post an addendum to the DGS website. Answers to

the questions asked during the Questions & Answers period also will be posted to the DGS website as an addendum to the RFQ.

I-8. Electronic Version of RFQ

This RFQ is being made available by electronic means. The Contractor acknowledges and accepts full responsibility to insure that no changes are made to the RFQ. In the event of a conflict between a version of the RFQ in the Contractor's possession and the Issuing Office's version of the RFQ, the Issuing Office's version shall govern.

I-9. Response Date

To be considered, proposals must be received via the PA Supplier Portal on or before the time and date specified in the RFQ Calendar of Events. Late proposals shall not be accepted or considered.

I-10. Incurring Costs

The Issuing Office is not liable for any costs the Contractor incurs in preparation and submission of its proposal, in participating in the RFQ process or in anticipation of receipt of the purchase order.

I-11. Economy Of Preparation

Contractors should prepare proposals simply and economically, providing a straightforward, concise description of the Contractor's ability to meet the requirements of the RFQ. The Issuing Office requires that no submission may exceed 200 single-sided pages or 100 double-sided pages, inclusive of any exhibits, addenda or other attachments.

I-12. Disadvantaged Business Information

The Issuing Office encourages participation by Small Disadvantaged Businesses as prime contractors, joint ventures and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Small Disadvantaged Businesses are small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages. The term includes:

- a. Department of General Services Bureau of Minority and Women Business Opportunities (BMWBO)-certified minority business enterprises (MBEs) and women business enterprises (WBEs) that qualify as small businesses; and
- b. United States Small Business Administration-certified 8(a) Small Disadvantaged Business concerns.
- c. Businesses that BMWBO determines meet the Small Business Administration criteria for designation as a Small Disadvantaged Business.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 full-time or full-time equivalent persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

Socially disadvantaged businesses are businesses in the United States that BMWBO determines are owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial or ethnic prejudice or cultural bias, but which do not qualify as small businesses. In order for a business to qualify as “socially disadvantaged,” the Contractor must include in its proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person’s color, ethnic origin or gender.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Minority and Women Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: gs-bmwbo@state.pa.us
Website: www.dgs.state.pa.us

A database of BMWBO-certified minority- and women-owned businesses can be accessed at <http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx>.

The federal vendor database can be accessed at <http://www.ccr.gov> by clicking on *Dynamic Small Business Search* (certified companies are so indicated).

I-13. Information Concerning Small Businesses in Enterprise Zones

The Issuing Office encourages participation by small businesses, whose primary or headquarters facility is physically located in areas the Commonwealth has identified as *Designated Enterprise Zones*, as prime contractors, joint ventures and subcontractors/suppliers.

The definition of headquarters includes, but is not limited to, an office or location that is the administrative center of a business or enterprise where most of the important functions of the business are conducted or concentrated and location where employees are conducting the business of the company on a regular and routine basis so as to contribute to the economic development of the geographical area in which the office or business is geographically located.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 full-time or full-time

equivalent persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

There is no database or directory of small businesses located in Designated Enterprise Zones. Information on the location of *Designated Enterprise Zones* can be obtained by contacting:

Aldona M. Kartorie
Center for Community Building
PA Department of Community and Economic Development
4th Floor, Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120-0225
Phone: (717) 720-7409
Fax: (717) 787-4088
Email: akartorie@state.pa.us

I-14. Proposals

To be considered, Contractors must submit a complete proposal to this RFQ, using the format provided in PART II, through the PA Supplier Portal. Any spreadsheets must be in Microsoft Excel. The Contractors may not lock or protect any cells or tabs. Contractors should ensure that there is no costing information in the technical submittal and that costing information is submitted as a separate file in the PA Supplier Portal. Contractors should not reiterate technical information in the cost submittal. The Contractor shall make no other distribution of its proposal to any other Contractor or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Contractor to its provisions must sign the proposal. If the official signs cover letter containing the information required in the Proposal Cover Sheet (**Appendix A** to this RFQ) and the Proposal Cover Sheet is attached to the Contractor's proposal, the requirement will be met. For this RFQ, the proposal must remain valid for one hundred and twenty (120) days or until a purchase order is executed. If the Issuing Office selects the Contractor's proposal as the best value, the contents of the selected Contractor's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Contractor submitting a proposal specifically waives any right to withdraw or modify it, except that the Contractor may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. A Contractor or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. A Contractor may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFQ requirements.

I-15. Alternate Proposals.

The Issuing Office has identified the basic approach to meeting its requirements, allowing Contractors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

I-16. Proposal Contents

- a. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Contractors' submissions in order to evaluate proposals submitted in response to this RFQ. Accordingly, except as provided herein, Contractors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Contractor who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- b. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Contractor copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- c. Public Disclosure. After the issuance of a purchase order pursuant to this RFQ, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests (*See Appendix E, Trade Secret/Confidential Proprietary Information Notice*). Financial capability information submitted in response to Part II, Section II-8 of this RFQ is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-17. Contractor's Representations and Authorizations

By submitting its proposal, each Contractor understands, represents, and acknowledges that:

- a. All of the Contractor's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in

making a best value selection. The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.

- b. The Contractor has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Contractor or potential Contractor.
- c. The Contractor has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is a Contractor or potential Contractor for this RFQ, and the Contractor shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFQ.
- d. The Contractor has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The Contractor makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Contractor, the Contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Contractor has disclosed in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Contractor and except as the Contractor has otherwise disclosed in its proposal, the Contractor has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Contractor that is owed to the Commonwealth.
- h. The Contractor is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Contractor cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- i. The Contractor has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.

- j. Each Contractor, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Contractor's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- k. Until the selected Contractor receives a fully executed purchase order from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Contractor shall not begin to perform work, for the Project.

I-18. Restriction Of Contact

From the issue date of this RFQ until the Issuing Office selects a proposal as the best value, the Issuing Officer is the sole point of contact concerning this RFQ. Any violation of this condition may be cause for the Issuing Office to reject the offending Contractor's proposal. If the Issuing Office later discovers that the Contractor has engaged in any violations of this condition, the Issuing Office may reject the offending Contractor's proposal or rescind its purchase order. Contractors must agree not to distribute any part of their proposals beyond the Issuing Office. A Contractor who shares information contained in its proposal with other Commonwealth personnel and/or competing Contractor personnel may be disqualified.

I-19. Prime Contractor Responsibilities

The selected Contractor will be required to assume responsibility for all services offered in the proposal whether it produces them itself or by subcontract. The Issuing Office and Project Manager will consider the selected Contractor to be the sole point of contact with regard to contractual and purchase order matters.

I-20. Resources

Contractors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this Section I-20. The Issuing Office has assigned a team of Commonwealth employees ("exchange team") to oversee this Project including a special projects coordinator with support from administration, legal, information technology and various program areas with the Issuing Office. The Issuing Office will not provide office space, reproduction facilities or other logistical support.

I-21. Rejection Of Proposals

The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received in response to this RFQ, or to negotiate separately with competing Contractors.

I-22. Discussions for Clarification

Contractors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and contractor responsiveness to the RFQ requirements. The Issuing Office will initiate requests for clarification.

I-23. Best and Final Offer (BAFO)

- a. While not required, the Issuing Office reserves the right to conduct discussions with Contractors for the purpose of obtaining “Best and Final Offers.” To obtain Best and Final Offers from Contractors, the Issuing Office may do one or more of the following, in combination and in any order:
 1. Schedule oral presentations;
 2. Request revised proposals;
 3. Conduct a reverse online auction; and
 4. Enter into pre-selection negotiations.
- b. The following Contractors will **not** be invited by the Issuing Office to submit a Best and Final Offer:
 1. Those Contractors which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
 2. Those Contractors, which the Issuing Office has determined in accordance with **Part III, Section III-4**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the Project.
 3. Those Contractors whose score for their technical submittal of the proposal is less than 70% of the total amount of technical points allotted to the technical criterion.

The Issuing Office may further limit participation in the Best and Final Offers process to those remaining responsible Contractors which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive proposals.
- c. Evaluation Criteria found in **Part III, Section III-3**, shall also be used to evaluate the Best and Final Offers.
- d. Price reductions offered through any reverse online auction shall have no effect upon the Contractor’s Technical Submittal. Dollar commitments to Disadvantaged Businesses and Enterprise Zone Small Businesses can be reduced only in the same percentage as the percent reduction in the total price offered through any reverse online auction or negotiations.

I-24. Notification of Selection

The Issuing Office will notify the selected Contractor in writing of its selection as the best value contractor after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

I-25. Purchase Order

The successful Contractor will be issued a purchase order with reference to Consulting Services ITQ Contract 4400007410. The term of the purchase order will commence on the Effective Date and will end December 31, 2014, with an option to extend the purchase order if the federal government adjusts the current timeframes for establishment and operation of the Project. No work may begin or be reimbursed prior to the date of issuance of the purchase order. The selected Contractor will be paid after submitting invoices, provided it is in accordance with the work plan and approved by the Commonwealth Project Manager. Final payment will not be made until all Project work has been successfully completed.

I-26. Debriefing Conferences

Contractors whose proposals are not selected will be notified of the name of the selected contractor and given the opportunity to be debriefed. The Issuing Office will schedule the time and location of the debriefing. The debriefing will not compare the contractor with other contractors, other than the position of the Contractor's proposal in relation to all other contractor proposals.

I-27. News Releases

Contractors shall not issue news releases, internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-28. Terms and Conditions

The requirements and terms and conditions of Consulting Services ITQ #4400007410 shall govern all work conducted as a result of this RFQ.

PART II

PROPOSAL REQUIREMENTS

II-1. General Requirements

Contractors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFQ. Contractors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Disadvantaged Business cost data should be kept separate from and not included in the Technical Submittal. Technical Submittals, Cost Submittals and Disadvantaged Business Submittals must be submitted as separate files through the PA Supplier Portal. Technical Submittals must be organized to clearly include each of the sections identified below (either as separate files labeled as follows or as a single file where each section identified below is clearly delineated). Each Proposal shall consist of the following **three** separate electronic files:

- a. **FILE 1 - Technical Submittal**, which shall be a responsive to RFQ Part II, Sections II-1 through II-9 and shall include each of the following items (labeled as identified below):
 - **TAB A** - Signed cover letter including the Proposal Cover Sheet (attached to this RFQ as Appendix A) or all of the information included in the Proposal Cover Sheet.
 - **TAB B** – Personnel, Prior Experience and demonstration that the Contractor meets the general requirements for this RFQ as identified in Section IV-3 of this RFQ, as well as the information required by Sections II-5 and II-6, as applicable to demonstrate satisfaction of the general requirements or specific requirements for each Lot. The Contractor must demonstrate that it meets the specific requirements for each Lot for which the Contractor is submitting a quote must be identified as a separate TAB using the following labels (if the Contractor is not submitting a quote for any particular Lot, the TAB must still be included followed by a page stating “Not Applicable”):
 - TAB B-1 – Lot 1 - Exchange Planning Requirements
 - TAB B-2 – Lot 2 - Financial Management Requirements
 - TAB B-3 – Lot 3 - Project and Grant Management Requirements
 - TAB B-4 – Lot 4 - Insurance Processes Requirements
 - TAB B-5 – Lot 5 - Process Integration Requirements
 - **TAB C** – As required by Section II-4, a work plan to identify how the Contractor will satisfy the specific tasks and elements prescribed in Section IV-4 of this RFQ and the critical path necessary to meet key milestones required by the federal government for the exchange. A separate work plan is required to be submitted for each Lot for which the Contractor is submitting a quote, and must be identified as a separate TAB using the following labels (if the Contractor is not submitting a quote for any particular Lot, the TAB must still be included followed by a page stating “Not Applicable”):
 - TAB C-1 – Lot 1 - Exchange Planning Tasks Work Plan

- TAB C-2 – Lot 2 - Financial Management Tasks Work Plan
 - TAB C-3 – Lot 3 - Project and Grant Management Tasks Work Plan
 - TAB C-4 – Lot 4 - Insurance Processes Tasks Work Plan
 - TAB C-5 – Lot 5 - Process Integration Tasks Work Plan
 - **TAB D** – Signed Domestic Workforce Utilization Certification (attached to this RFQ as Appendix B)
 - **TAB E** – Signed Lobbying Certification Form and Disclosure of Lobbying Activity Form (attached to this RFQ as Appendices D-1 and D-2)
 - **TAB F** – Signed Trade Secret/Confidential Proprietary Information Notice (attached to this RFQ as Appendix E)
- b. **FILE 2 - Disadvantaged Business Submittal**, in response to RFQ **Part II, Section II-10**; and
- c. **FILE 3 - Cost Submittal**, in response to RFQ **Part II, Section II-10, utilizing the spreadsheet attached to this RFQ as Appendix C**. If the Contractor is not submitting a quote for any particular Lot, the appropriate tab on the spreadsheet should be checked to indicate “Not Applicable.”

The Issuing Office reserves the right to request additional information which, in the Issuing Office’s opinion, is necessary to assure that the Contractor’s competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFQ.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Contractor to perform the Project, and the Contractor shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Contractor fails to satisfy the Issuing Office that such Contractor is properly qualified to carry out the obligations of the RFQ and to complete the Project as specified.

II-2. Statement of the Problem

State in succinct terms your understanding of the problem presented or the service required by this RFQ.

II-3. Management Summary

Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-4. Work Plan

Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in **Part IV** of this RFQ as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. These hours should correlate to the hours provided in the Appendix C Cost Matrix, but should not include any cost

information or blended hourly rates. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

II-5. Prior Experience

Include experience in private health insurance, Medicaid, CHIP, small businesses, complex financial systems, and state government generally, and insurance exchanges, specifically. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-6. Personnel

Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel, including any professional staff that will be involved in the Project, include the employee's name and, through a resume or similar document, the employee's education and experience in private health insurance, Medicaid, CHIP, small businesses, complex financial systems, and state government generally, and insurance exchanges, specifically. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. Identify by name any subcontractors you intend to use and the services they will perform.

Resumes are not to include personal information that will, or will be likely to, require redaction prior to release of the proposal under the Right to Know Law. This includes home addresses and phone numbers, Social Security Numbers, Drivers' License numbers or numbers from state ID cards issued in lieu of a Drivers' License, financial account numbers, etc. If the Commonwealth requires any of this information for security verification or other purposes, the information will be requested separately and as necessary.

II-7. Training

If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-8. Financial Capability

Describe your company's financial stability and economic capability to perform the Project requirements. Provide your company's financial statements for the past three (3) fiscal years. If your company is a publicly traded company, please provide a link to your financial records on your company website; otherwise, provide three (3) years of your company's financial documents such as audited financial statements or recent tax returns. Financial statements must include the company's Balance Sheet and Income Statement or Profit/Loss Statements. Also include a Dun & Bradstreet comprehensive report if available.

II-9. Emergency Preparedness.

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- a. Describe how you anticipate such a crisis will impact your operations.
- b. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - i) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - ii) Identified essential business functions and key employees (within your organization) necessary to carry them out
 - iii) Contingency plans for:
 - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - iv) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - v) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

II-10. Disadvantaged Business Submittal

a. Disadvantaged Business Information.

- i) To receive credit for being a Small Disadvantaged Business or a Socially Disadvantaged Business or for entering into a joint venture agreement with a Small Disadvantaged Business or for subcontracting with a Small Disadvantaged Business (including purchasing supplies and/or services through a purchase agreement), a Contractor must include proof of Disadvantaged Business qualification in the Disadvantaged Business Submittal of the proposal, as indicated below:
 - 1) A Small Disadvantaged Businesses certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.
 - 2) Businesses certified by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act (15 U.S.C. §

636(a)) as an 8(a) Small Disadvantaged Business must submit proof of U.S. Small Business Administration certification. The owners of such businesses must also submit proof of United States citizenship.

- 3) Businesses, which assert that they meet the U.S. Small Business Administration criteria for designation as a Small Disadvantaged Business, must submit: a) self-certification that the business meets the Small Business Administration criteria and b) documentary proof to support the self-certification. The owners of such businesses must also submit proof of United States citizenship, and provide any relevant Small Disadvantaged Business certifications by other certifying entities.
 - 4) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification, or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration Small Disadvantaged Business, must attest to the fact that the business has 100 full-time or full-time equivalent or fewer employees.
 - 5) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification, or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration Small Disadvantaged Business, must submit proof that their gross annual revenues are less than \$20,000,000 (\$25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
- ii) All businesses claiming status as a Socially Disadvantaged Business must include in the Disadvantaged Business Submittal of the proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person's color, ethnic origin or gender. The submitted evidence of prejudice or bias must:
- 1) Be rooted in treatment that the business person has experienced in American society, not in other countries.
 - 2) Show prejudice or bias that is chronic and substantial, not fleeting or insignificant.

- 3) Indicate that the business person's experience with the racial or ethnic prejudice or cultural bias has negatively impacted his or her entry into and/or advancement in the business world.

BMWBO shall determine whether the Contractor has established that a business is socially disadvantaged by clear and convincing evidence.

- iii) In addition to the above verifications, the Contractor must include in the Disadvantaged Business Submittal of the proposal the following information:

- 1) Those Small Disadvantaged Businesses submitting a proposal as the Contractor, must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Contractor and not by subcontractors and suppliers.

- 2) Those Small Disadvantaged Businesses submitting a proposal as a part of a joint venture partnership, must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Small Disadvantaged Business joint venture partner and not by subcontractors and suppliers or by joint venture partners who are not Small Disadvantaged Businesses. Contractor must also provide:

- a) The amount of capital, if any, each Small Disadvantaged Business joint venture partner will be expected to provide.

- b) A copy of the joint venture agreement signed by all parties.

- c) The business name, address, name and telephone number of the primary contact person for the Small Disadvantaged Business joint venture partner.

- 3) **All** Contractors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Contractor commits to paying to Small Disadvantaged Businesses as subcontractors. To support its total percentage DB subcontractor commitment, Contractor must also include:

- a) The dollar amount of each subcontract commitment to a Small Disadvantaged Business.

- b) The name of each Small Disadvantaged Business. The Contractor will not receive credit for stating that after the purchase order is issued it will find a Small Disadvantaged Business.
 - c) The services or supplies each Small Disadvantaged Business will provide, including the timeframe for providing the services or supplies.
 - d) The location where each Small Disadvantaged Business will perform services.
 - e) The timeframe for each Small Disadvantaged Business to provide or deliver the goods or services.
 - f) A signed subcontract or letter of intent. For a subcontract, a signed subcontract or letter of intent. The letter of intent must identify the specific work, goods or services each Small Disadvantaged Business will perform and how the work, goods or services relates to the project.
 - g) The name, address and telephone number of the primary contact person for each Small Disadvantaged Business.
- 4) The total percentages and each subcontractor commitment will become contractual obligations once the contract is fully executed.
 - 5) The name and telephone number of the Contractor's project (contact) person for the Small Disadvantaged Business information.
- iv) The Contractor is required to submit its Disadvantaged Business Submittal as a separate file on the PA Supplier Portal. The file shall be clearly identified as **FILE 2 - Disadvantaged Business Submittal and shall be separate and distinct from the other files submitted with the response.**
 - v) A Small Disadvantaged Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
 - vi) A Contractor that qualifies as a Small Disadvantaged Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Contractors.

b. Enterprise Zone Small Business Participation.

- i) To receive credit for being an enterprise zone small business or entering into a joint venture agreement with an enterprise zone small business or subcontracting with an enterprise zone small business, a Contractor must include the following information in the Disadvantaged Business Submittal of the proposal:
 - 1) Proof of the location of the business' headquarters (such as a lease or deed or Department of State corporate registration), including a description of those activities that occur at the site to support the other businesses in the enterprise zone.
 - 2) Confirmation of the enterprise zone in which it is located (obtained from the local enterprise zone office).
 - 3) Proof of United States citizenship of the owners of the business.
 - 4) Certification that the business employs 100 full-time or full-time equivalent or fewer employees.
 - 5) Proof that the business' gross annual revenues are less than \$20,000,000 (\$25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
 - 6) Documentation of business organization, if applicable, such as articles of incorporation, partnership agreement or other documents of organization.
- ii) In addition to the above verifications, the Contractor must include in the Disadvantaged Business Submittal of the proposal the following information:
 - 1) The name and telephone number of the Contractor's project (contact) person for the Enterprise Zone Small Business.
 - 2) The business name, address, name and telephone number of the primary contact person for each Enterprise Zone Small Business included in the proposal. The Contractor must specify each Enterprise Zone Small Business to which it is making commitments. The Contractor will not receive credit for stating that it will find an Enterprise Zone Small Business

after the purchase order is issued or for listing several businesses and stating that one will be selected later.

- 3) The specific work, goods or services each Enterprise Zone Small Business will perform or provide.
 - 4) The total cost amount submitted in the Contractor's cost proposal and the estimated dollar value of the contract to each Enterprise Zone Small Business.
 - 5) Of the estimated dollar value of the contract to each Enterprise Zone Small Business, the percent of the total value of services or products purchased or subcontracted that each Enterprise Zone Small Business will provide.
 - 6) The location where each Enterprise Zone Small Business will perform these services.
 - 7) The timeframe for each Enterprise Zone Small Business to provide or deliver the goods or services.
 - 8) The amount of capital, if any, each Enterprise Zone Small Business will be expected to provide.
 - 9) The form and amount of compensation each Enterprise Zone Small Business will receive.
 - 10) For a joint venture agreement, a copy of the agreement, signed by all parties.
 - 11) For a subcontract, a signed subcontract or letter of intent.
- iii) The dollar value of the commitment to each Enterprise Zone Small Business must be included in the same sealed envelope with the Disadvantaged Business Submittal of the proposal. The following will become a contractual obligation once the contract is fully executed:
- 1) The amount of the selected Contractor's Enterprise Zone Small Business commitment;
 - 2) The name of each Enterprise Zone Small Business; and
 - 3) The services each Enterprise Zone Small Business will provide, including the timeframe for performing the services.

II-11. Cost Submittal

The information requested in this Section II-11 and **Appendix C** (Cost Matrix) shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal and kept separate from the technical submittal. The total cost you are proposing must be broken down into the components listed on **Appendix C**.

Contractors must utilize a blended rate for all personnel that will be involved in this Project and must provide the number of hours that the Contractor will take to complete each of the enumerated tasks in each of the Lots in Section IV-4 for which the Contractor is providing a quotation. All information must be included in the Cost Matrix Attached hereto as Appendix C.

- a. Direct Labor Costs. All direct labor costs must be a blended hourly rate.
- b. Labor Overhead. All labor overhead must be included in the blended hourly rate.
- c. Travel and Subsistence. Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must conform with the requirements of the most current version of Commonwealth Management Directive 230.10, *Travel and Subsistence Allowances*. The Issuing Office may accept higher rates normally paid by a Contractor, if those rates were approved by the Contractor's officials and published prior to submitting this proposal to the Issuing Office.
- d. Consultant Costs. Itemize.
- e. Subcontract Costs. Itemize.
- f. Cost of Supplies and Materials. Itemize.
- g. Other Direct Costs. Itemize.
- h. General Overhead Costs. Overhead includes **two** major categories of cost, operations overhead and general and administrative overhead. Operations overhead includes costs that are not **100%** attributable to the service being completed, but are generally associated with the recurring management or support of the service. General and administrative overhead includes salaries, equipment and other costs related to headquarters management external to the service, but in support of the activity being completed. Specify what specific items are included and the rates used.
- i. Fee or Profit. Not applicable.
- j. Total Cost.

Contractors should **not** include any assumptions in their cost submittals. If the Contractor includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Contractors should direct in writing to the Issuing Office pursuant to **Part I, Section I-6** of

this RFQ, any questions about whether a cost or other component is included or applies. All Contractors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

II-12. Domestic Workforce Utilization

Contractors must complete and sign the Domestic Workforce Utilization Certification attached to and made a part of this RFQ as Appendix B. Contractors who seek consideration for the Domestic Workforce Utilization Certification criterion must complete, sign and submit the Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal.

II-13. Lobbying Certification and Disclosure of Lobbying Activities

This Project will be funded, in whole or in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from being expended by the recipient or by any lower tier sub-recipients of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. All parties who submit proposals in response to this RFQ must sign the "Lobbying Certification Form," (attached to this RFQ as **Appendix D1**) and, if applicable, complete the "Disclosure of Lobbying Activities" form available at:

<http://www.whitehouse.gov/omb/assets/omb/grants/sflllin.pdf> (attached to this RFQ as **Appendix D2**).

PART III
CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements

To be eligible for selection, a proposal must be:

- a. Timely received from a Contractor; and
- b. Properly signed by the Contractor.

III-2. Technical Nonconforming Proposals

The two (2) Mandatory Responsiveness Requirements set forth in Part III-1 above (a-b) are the only RFQ requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in a Contractor's proposal, (2) allow the Contractor to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Contractor's proposal.

III-3. Evaluation Criteria

The following criteria will be used in evaluating each proposal.

- a. **Technical:** The Issuing Office has established the weight for the Technical criterion for this RFQ as **50%** of the total points. Evaluation will be based upon the following:
 - i) Relevant Experience and Expertise - the Contractor will be evaluated for the quality and quantity of relevant health insurance and/or industry experience (*i.e.*, private health insurance, publicly funded health insurance programs, commercial health insurance regulation, and Exchange planning/establishment), with preference given for experience specific to Pennsylvania. Evaluators will focus on prior experience and expertise in the tasks in this solicitation. Level of expertise, experience and qualifications of proposed positions, proposed key staff, and proposed subcontractors will be considered significantly. Evaluators will strongly consider recommendations from other clients utilizing the vendor for similar work to be performed under the contract. Negative feedback from other clients will be cause for significant point deductions.
 - ii) Technical Approach and Understanding of Work - the Evaluators will evaluate the Contractor's written proposal describing how it intends to organize and accomplish the tasks and activities in this solicitation. The State will score vendors highly who demonstrate a clear, complete understanding of each task and activity and who present an effective work plan for accomplishing each and all of them.
 - iii) Capacity, Resources, and Level of Effort to Accomplish Tasks - proposals will be scored highly that present a plan for resources and level of effort that, in the State's best judgment, will accomplish each task effectively

and efficiently, as well as the extent that the work plan demonstrates reasonableness and likely success.

- iv) Ability to Administer Multiple Lots – the Department will give consideration to Contractors that submit quotations in response to this RFP for all (or at least multiple) lots identified below.

- b. **Cost:** The Issuing Office has established the weight for the Cost criterion for this RFQ as **30%** of the total points.
- c. **Disadvantaged Business Participation:** BMWBO has established the weight for the Disadvantaged Business (DB) Participation criterion for this RFQ as **20 %** of the total points. Evaluation will be based upon the following in order of priority:

Priority Rank 1	Proposals submitted by Small Disadvantaged Businesses.
Priority Rank 2	Proposals submitted from a joint venture with a Small Disadvantaged Business as a joint venture partner.
Priority Rank 3	Proposals submitted with subcontracting commitments to Small Disadvantaged Businesses.
Priority Rank 4	Proposals submitted by Socially Disadvantaged Businesses.

Each DB participation submittal will be rated for its approach to enhancing the utilization of Small Disadvantaged Businesses and/or Socially Disadvantaged Businesses. Each approach will be evaluated, with Priority Rank 1 receiving the highest score and the succeeding options receiving scores in accordance with the above-listed priority ranking. To the extent that there are multiple DB Participation submittals that offer subcontracting commitments to Small Disadvantaged Businesses, the proposal offering the highest total percentage commitment shall receive the highest score in the Priority Rank 3 category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage commitment offered.

To qualify as a Small Disadvantaged Business or a Socially Disadvantaged Business, the Small Disadvantaged Business or Socially Disadvantaged Business cannot enter into subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract. If a Small Disadvantaged Business or a Socially Disadvantaged Business subcontracts more than **40%** of the total estimated dollar

amount of the contract to other contractors, the Disadvantaged Business Participation scoring shall be proportionally lower for that proposal.

- d. Enterprise Zone Small Business Participation:** In accordance with the priority ranks listed below, bonus points in addition to the total points for this RFQ, will be given for the Enterprise Zone Small Business Participation criterion. The maximum bonus points for this criterion is **3%** of the total points for this RFQ. The following options will be considered as part of the final criteria for selection:

Priority Rank 1 Proposals submitted by an Enterprise Zone Small Business will receive a three percent bonus for this criterion.

Priority Rank 2 Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive a two percent bonus for this criterion.

Priority Rank 3 Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will receive a one percent bonus for this criterion.

Priority Rank 4 Proposals with no Enterprise Zone Small Business Utilization will receive no points under this criterion.

To the extent that a Contractor is an Enterprise Zone Small Business, the Contractor cannot enter into contract or subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract in order to qualify as an Enterprise Zone Small Business for purposes of this RFQ.

- e. Domestic Workforce Utilization:** Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFQ. The maximum bonus points for this criterion is **3%** of the total points for this RFQ. To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Contractors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who

propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. Contractors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal. The certification will be included as a contractual obligation when the contract is executed.

III-4. Contractor Responsibility

To be responsible, a Contractor must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the Project.

In order for a Contractor to be considered responsible for this RFQ and therefore eligible for selection for Best and Final Offers or selection as the best value contractor:

- a. The total score for the technical submittal of the Contractor's proposal must be greater than or equal to **70% of the available technical points**.
- b. The Contractor's financial capability information must demonstrate that the Contractor possesses the financial capability to assure good faith performance of the Project. The Issuing Office may assess each Contractor's financial capacity based on industry standard analysis of the Contractor's financial statements requested with the technical submittal. The Issuing Office reserves the right, in its sole discretion, to reject the proposal of any Contractor who fails to achieve acceptable Dun & Bradstreet ratings.

Further, the Issuing Office will issue a purchase order only to a Contractor determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-5. Evaluation

The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BMWBO will evaluate the Disadvantaged Business Submittal and provide the Issuing Office with a rating for this component of each proposal. After taking into consideration all of the evaluation factors, the Issuing Office will determine which proposal offers the best value to the Commonwealth. The Issuing Office will notify in writing the responsible Contractor selected as the best value contractor.

PART IV WORK STATEMENT

IV-1. Objectives.

a. General.

The Patient Protection and Affordable Care Act, signed into law on March 23, 2010, and the Health Care and Education Reconciliation Act of 2010, signed into law on March 30, 2010 (together referred to as the “ACA”), impacts most facets of the current American healthcare system. The ACA proposes to significantly revise several established components of our healthcare system, including: (1) Medicaid and other government program eligibility criteria; (2) use of technology to improve healthcare quality and delivery; and (3) creation and administration of health insurance exchanges. Among these, ACA anticipates that an exchange will be operated in each state as a resource for individuals and small employers to access health insurance by January 1, 2014.

An exchange is commonly envisioned as an online shopping forum that serves as an additional distribution channel where consumers have the ability to shop for and compare health insurance policies and coverages. The exchange will not function as an insurer itself, but it will qualify plans offered by duly licensed insurance companies that would seek to sell their plans in the exchange. An exchange is expected to be in operation in each state by 2014, whether it is a state-operated exchange, a state-operated exchange with a federal partnership on certain components, or an entirely federally-operated exchange (for those states that elect not to operate or are unprepared to operate some type of state exchange). For the first two years, the exchange will permit companies with 50 or fewer employees to participate; employers with 100 or fewer employees will be eligible to participate in the exchange beginning in 2016. The exchange will also be available to individuals looking to purchase insurance for themselves provided that the individuals are: (1) self-employed; (2) unemployed; (3) not covered by employer coverage; or (3) retired but not yet eligible for Medicare.

Provided that the ACA is not repealed or otherwise rendered invalid (in whole or in part), the Issuing Office will continue its efforts to explore the development of a state-operated health insurance exchange, but the Department might redirect (or even altogether abandon) this Project (or individual tasks or components thereof) depending upon any number of factors, including the outcome of decisions of the United States Supreme Court relating to the ACA, the issuance of further guidance from the federal government, or insufficiency of funding from grants associated with the Project. With the funds awarded through an Exchange Planning Grant, the Issuing Office secured background research on health insurance exchanges, as well as began the initial planning process for a possible Pennsylvania-based exchange. From this research and planning, the Commonwealth was able to make some preliminary decisions related to the development of a state exchange. This research is available at the following link:

http://www.portal.state.pa.us/portal/server.pt/community/health_insurance/9189/health_insurance_exchange_-_archived_exchange_information/1075404.

Our goals for the next phase of this process are to continue research-supported planning to ensure that the state exchange meets the unique needs of its residents and the objectives of the Commonwealth.

In addition to the initial Exchange Planning Grant, the Issuing Office has also been awarded an Exchange Establishment Grant, which will serve as the funding source for this Project. The Issuing Office's Exchange Establishment Grant application provides additional detail regarding this Project and is available at the following link:

http://www.portal.state.pa.us/portal/server.pt/community/health_insurance/9189/health_insurance_exchange/1064758.

Due to its small staff and limited resources, as well as condensed timelines dictated by the ACA, the Issuing Office and the Department of Public Welfare plan to engage a number of consultants and contractors to further support state decision-making with respect to an exchange. The roles and responsibilities of these consultants and contractors are outlined in the sections below.

Throughout this process, the Commonwealth will continue to review the progress of early innovator states and other states and determine which functions and capabilities it could leverage in its own exchange development. The Commonwealth expects any Contractors to do the same and provide advice and guidance as appropriate and needed. We will also continue to monitor several pending federal and state laws, regulations and other federal and state guidance, which might dictate revised approaches for any Contractors providing services under this RFQ. In particular, the Commonwealth is monitoring potential regulations and/or guidance related to federal-state health exchange partnerships as either a transitional or longer-term approach.

b. **Specific.** The proposed projects to support the further research and planning for a potential exchange include the following general items (which are more fully explained in the specific tasks identified for each Lot in the RFQ):

- **Background Research:** Conduct extensive insurance market analyses: 1) describing current regulations and characteristics associated with each of the markets; and 2) analyzing how the current insurance market will be impacted by the development of an online marketplace and other health insurance reform provisions
- **Procedural, Regulatory and Contractual Action:** Determine the necessary procedural or regulatory framework and contractual relationships to facilitate the development of an online marketplace.

- **Governance:** Determine the information required for decisions regarding governance and oversight by completing an analysis of the possible operating costs and needed resources associated with a selected governance model as well as analyzing the lines of organization and levels of interaction needed with and by other impacted state agencies.
- **Program Integration:** Develop a comprehensive plan to efficiently and effectively interface with, and where appropriate, integrate with necessary state programs. This includes determining if processes and programs should be leveraged for use in their current form, or if it would likely be more cost-effective to develop new processes.
- **Financial Management:** Determine necessary resources to perform financial accounting and reporting, as well as financial and business operations.
- **Oversight and Program Integrity:** Develop a program integrity plan that ensures activities comply with appropriate federal and state requirements.
- **Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints:** Determine target areas for focused consumer assistance.
- **Business Operations of the Exchange:** Perform an in-depth evaluation of needed processes and functions associated with business operations/functions, including leveraging and maximizing private sector resources to perform certain exchange functions.
- **Project Management:** Provide planning, organizing, securing, and resource managing services to achieve specific goals of the project while honoring the applicable constraints (e.g., time, and budget), and integration of the inputs necessary to meet the projects goals.
- **Grant Management:** Perform the business management aspects of the exchange grant, including administering grants after award, including the fulfillment of federal grant reporting requirements; ensuring compliance with statutes, regulations, and guidelines regarding administration of the grant; and preparing additional grant applications under the supervision of the Issuing Office's exchange project manager.

The procurement of services related to these areas is intended to allow the Issuing Office to continue its planning for a potential online marketplace and finalize decisions that would dictate the design and development of a Pennsylvania exchange.

IV-2. Nature and Scope of the Project.

The intended purpose of this project is to secure the necessary Contractors that will allow the Issuing Office to continue its progress in the planning of a potential health insurance

online marketplace in the Commonwealth pursuant to the ACA. Given the broad scope of this Project and the necessary skills and expertise of the Contractors that will be required for this Project, the Issuing Office has created the following “lots” of services and tasks that it intends to procure through this RFQ:

- Exchange Planning
- Financial Management
- Project and Grant Management
- Insurance Processes
- Process Integration

Because of the necessity for coordination and integration of the tasks related to this Project, the Issuing Office will give consideration to Contractors that submit quotations in response to this RFQ for all (or at least multiple) lots identified above.

IV-3. Requirements.

All Contractors providing services procured through this RFQ shall adhere to all existing and forthcoming federal and state requirements and guidance for the development and operation of a Pennsylvania exchange. Some of the specific federal requirements can be found in the ACA and the U.S. Department of Health and Human Services Office of Consumer Information and Insurance Oversight Funding Opportunity Announcements IE-HBE-10-001 (CFDA: 93.525, July 29 2010) and IE-HBE-11-004 (CFDA: 93.525, January 20, 2011, revised November 29, 2011) (each a “FOA”). Additional federal guidance and regulations are expected and forthcoming, and compliance with any such requirements will be necessary and expected of any Contractors.

The ACA requires a state exchange to begin enrolling participants on October 1, 2013 with coverage procured under the exchange during the initial phase of the open enrollment effective January 1, 2014. It further requires exchanges to be financially self-sufficient by January 1, 2015. To accomplish these goals it will be necessary to significantly streamline the development process and minimize operational costs. It will be the responsibility of any Contractors to advise the Issuing Office and its existing and future Contractors regarding the best course of action to fulfill federal requirements and satisfy the Commonwealth’s needs and priorities for an exchange, including the exploration of leveraging private sector resources to meet these needs and priorities. Efficient coordination with the Issuing Office and any other existing or future Contractors is essential for the success of this project. Accordingly, as mentioned above, the Issuing Office will give consideration to Contractors that submit quotations in response to this RFQ for all (or at least multiple) lots identified above.

All Contractors must be proficient with Microsoft Project software and be able to generate and update reports utilizing the software.

All Contractors must submit evidence of qualified, adequate staffing to provide timely services in the event of the absence or unavailability of the primary assigned individual(s).

All Contractors must submit three references and contact information from representative health insurance clients for whom the vendor has provided services within the last 5 years.

All Contractors must submit descriptions and contact information for two previous engagements that most closely resemble the work in the RFQ.

In addition to these general requirements for all Contractors, the following lots have additional requirements that Contractors must satisfy:

Lot 1 – Exchange Planning

In order to be eligible to respond to this Lot in the RFQ, the Issuing Office requires that the Contractor be included in Service Category Healthcare Services - General under the Commonwealth's Consulting Services Invitation to Qualify ("ITQ"), Contract #4400007410.

In addition, the Contractor must satisfy the following additional requirements:

- At least 5 years experience in private health insurance, publicly funded health insurance programs, commercial health insurance regulation, and/or Exchange planning/establishment.

Lot 2 – Financial Management

In order to be eligible to respond to this Lot in the RFQ, the Issuing Office requires that the Contractor be included in Service Category Actuarial Services- Actuarial Consultant Healthcare/Medical Area 1 under the Commonwealth's Consulting Services Invitation to Qualify ("ITQ"), Contract #4400007410.

In addition, the Contractor must satisfy the following additional requirements:

- The Contractor must have at least 10 years of health insurance and/or health insurance industry experience. The Contractor must submit a profile of its actuarial firm, including a full description of the firm's applicable actuarial experience with detailed analysis of operating costs, enrollment estimates, and other cost drivers related to exchange development and operations.
- The Contractor must have a minimum of 10 years of actuarial consulting experience in the health insurance industry
- The Contractor must have actuarial experience with developing budgets.
- The Contractor must have actuarial experience working for or with Federal and/or state governments on health insurance infrastructure.
- The Contractor must submit the name(s) and qualifications of the individual(s) who would be assigned to provide primary service under the consulting contract with the Commonwealth, including a description of each individual's experience applicable to federal and Pennsylvania state insurance laws and regulations.

- The Contractor’s designated project manager, who will be the Issuing Office’s contact person at the firm, must be an Associate or Fellow of the Society of Actuaries or the American Academy of Actuaries, with a minimum of 10 years of managerial experience, and a minimum of 10 years experience in the health insurance industry.
- Actuarial associates and other junior personnel assigned to the contract must have a minimum of 3 years experience in health insurance industry.
- The Contractor must submit the name(s) and qualifications of Certified Public Accountants (CPA’s) who will provide primary service under the consulting contract with the Commonwealth, including a description of each individual’s experience applicable to financial management of the proposed exchange (*e.g.*, determining necessary resources to perform financial accounting and reporting, including determining an appropriate approach to implementing financial and business operations; and recommending an appropriate approach for oversight and program integrity for the exchange, including developing and implementing a program integrity plan that ensures activities will comply with appropriate federal and state requirements).

Lot 3 – Project and Grant Management

In order to be eligible to respond to this Lot in the RFQ, the Issuing Office requires that the Contractor be included in Service Category Health Care Services - General under the Commonwealth’s Consulting Services Invitation to Qualify (“ITQ”), Contract #4400007410.

In addition, the Contractor must satisfy the following additional requirements:

- The Contractor must have at least 3 years recent federal grant management experience.
- The Contractor must have at least 10 years of project management experience with information systems providing services to more than 250,000 different (*i.e.*, unique) people per year.
- The Contractor must have at least 5 years of health insurance and/or health insurance industry experience, with at least 2 years specific to publicly funded health insurance programs, commercial health insurance regulation, and/or Exchange planning/establishment

Lot 4 – Insurance Processes

In order to be eligible to respond to this Lot in the RFQ, the Issuing Office requires that the Contractor be included in Service Category Health Care Services - General under the Commonwealth’s Consulting Services Invitation to Qualify (“ITQ”), Contract #4400007410.

In addition, the Contractor must satisfy the following additional requirements:

- The Contractor must have at least 10 years of health insurance and/or health insurance industry experience, with at least 5 years specific to private health

insurance, publicly funded health insurance programs, commercial health insurance regulation, and/or Exchange planning/establishment.

Lot 5 – Process Integration

In order to be eligible to respond to this Lot in the RFQ, the Issuing Office requires that the Contractor be included in Service Category Health Care Services - General under the Commonwealth's Consulting Services Invitation to Qualify ("ITQ"), Contract #4400007410.

In addition, the Contractor must satisfy the following additional requirements:

- The Contractor must have at least 10 years of health insurance and/or health insurance industry experience, with at least 5 years specific to private health insurance, publicly funded health insurance programs, commercial health insurance regulation, and/or Exchange planning/establishment, and at least 3 years experience in Medicaid programs.

IV-4. Tasks.

In addition to the specific tasks designated in each of the lots below, the Contractor(s) may be required by the Issuing Office to perform or assist in the performance of additional tasks that will be necessary to fulfill the milestones identified in the Issuing Office's Exchange Establishment Grant application, progress or gate reviews identified in the FOA, and other grant or exchange requirements or guidance established by the federal government.

All of the Contractors will be required to immediately develop a detailed Work Breakdown Structure ("WBS") to more succinctly identify the specific tasks and elements prescribed below, and to establish the critical path necessary to meet key milestones required by the federal government for the exchange. Once developed, the Issuing Office will also utilize the WBS as a means to report and track progress on the Project and will require the Contractors to make regular updates and changes to the WBS as needed. The WBS should be developed and submitted to the Issuing Office utilizing the Microsoft Project format.

Contractors are required to work collaboratively with all other contractors in performing these tasks. For example both the planning consultant (lot 1) and financial management consultant (lot 2) are expected to work together in preparing the governance structure financial analysis and planning analysis reports.

Lot 1 - Exchange Planning

The purpose of the Exchange Planning Contractor is to assist and support the planning and development of the exchange core areas of governance, program integration, and other areas as determined necessary by the Issuing Office. In addition, the Issuing Office expects this Contractor to document decisions made with regard to these aspects of the exchange planning process. Specific responsibilities include, but are not limited to, the following tasks:

- 1.1 Assist the Issuing Office in the development of evaluation measures for all non-IT components of the Project.
- 1.2 Assist the Issuing Office in finalizing the governance model as required in FOA page 64 by: (1) preparing the governance structure financial analysis and planning analysis reports identified in the grant application and making the necessary changes as directed by the Issuing Office; (2) preparing any other necessary studies/reports, and (3) making the necessary changes to the governance model that incorporates the decisions made in (1) and (2).
- 1.3 Assist the Issuing Office in establishing a governance structure for the exchange as specified in FOA page 64, and performing the program integration core tasks specified in pages 66 through 68 of the FOA. This includes assisting in the development and operation of multi-agency and Medical Assistance workgroups in their task of preparing a program integration plan, identifying necessary formal agreements between state agencies, performing program integration gap analyses, and planning analysis reports as specified in the grant application. Assist the Issuing Office in performing the eligibility and enrollment core tasks specified in the grant application and pages 73-74 of the FOA.
- 1.4 Perform any other duties as required related to exchange planning.

Lot 2 – Financial Management

The purpose of the Financial Management Contractor is to assist and support the Issuing Office's development of the exchange's funding sources and financial management structure so as to allow the exchange to become self-sustaining by 2015. Specific responsibilities include, but are not limited to, the following tasks:

- 2.1 Assist the Issuing Office in finalizing the governance model as required in FOA page 64 by: (1) preparing the governance structure financial analysis and planning analysis reports identified in the grant application and making the necessary changes as directed by the Issuing Office; (2) preparing any other necessary studies/reports; and (3) making the necessary changes to the governance model that incorporates the decisions made in (1) and (2)
- 2.2 Assist the Issuing Office in performing the financial management core tasks specified in page 68 of the FOA and in the grant application. This includes performing an analysis of expected costs and revenues, an environmental scan of existing systems and establishing a financial management structure.
- 2.3 Assist the Issuing Office in performing the oversight and program integrity core tasks specified in page 69 of the FOA and in the grant application. This includes rendering a determination of the appropriate levels of financial oversight
- 2.4 Perform any other duties as required related to financial management.

Lot 3 – Project and Grant Management

The Project and Grant Management Contractor is responsible for assisting the Issuing Office with adherence to, and satisfaction of, all federal exchange grant requirements and for overseeing the scheduling of and monitoring progress for each of the major steps of the entire project, particularly the efforts of all contract staff. Specific responsibilities include, but are not limited to, the following tasks:

- 3.1 Assist the Issuing Office in performing the financial management and oversight/program integrity core tasks specified in pages 68 and 69 of the FOA and the grant application. This also includes:
 - 3.1.1 Preparing and submitting weekly progress reports to the Issuing Office, tracking key metrics required in the federal reports.
 - 3.1.2 Coordinating with the Issuing Office and other Contractors to draft all required federal progress reports and any other requested documentation, providing them to the Issuing Office in a form suitable for submission to the federal government.
 - 3.1.3 Assisting in the preparation of responses to all audit requests by the federal government and provide the responses to the Issuing Office in a form suitable for submission to the federal government.
 - 3.1.4 Serving as the principal day-to-day point of contact with the federal government on all exchange grant-related matters, involving the appropriate Issuing Office staff as necessary (*e.g.*, strategic decisions, deadlines, etc.).
 - 3.1.5 Advising the Issuing Office on all exchange grant-related matters.
- 3.2 Prepare additional exchange grant applications as directed by the Issuing Office, consulting with appropriate Issuing Office and other agency staff, and other Contractors, and provide the application to the Issuing Office in a form suitable for submission to the federal government. .
- 3.3 Assist the Issuing Office’s exchange project manager in overseeing the project, particularly the efforts of contractors. This also includes
 - 3.3.1 Developing an overall project schedule, identifying project activities that are not occurring in a manner consistent with the project schedule; and, with the approval of the Issuing Office’s exchange project manager, revising as appropriate the project schedule to reflect the best information available about the project and advising the Contractor(s) affected.
 - 3.3.2 Coordinating the efforts of all Contractors to ensure they are aware of the schedule, including that they are aware when they are not operating in a manner consistent with the schedule.

- 3.3.3 Identifying whether each Contractor provides the reports and services that meet the requirements of this RFP for that Contractor, particularly the federal core tasks required in the FOA, and reporting activities inconsistent with the project schedule to the Contractors involved in the inconsistencies, and to the Issuing Office's exchange project manager.
- 3.3.4 Regularly briefing the Issuing Office's exchange project manager on significant issues and overall status of each Contractor's efforts, including the risk to the overall project of scheduling issues involved with each Contractor.
- 3.4 Perform any other duties as required related to exchange project/grant management.

Lot 4 – Insurance Processes

The Insurance Processes Contractor will be responsible for determining the Commonwealth's core competencies for insurance processes that will be required for the development of a state-operated exchange or a state-federal partnership exchange, and will recommend modifications to current processes or procedures. This Contractor will also analyze, using actuarial and other expertise, potential strategies for implementation of insurance processes necessary for exchange implementation, and develop recommendations for the Issuing Office as appropriate. In addition, the Contractor will support the development of core functions related to insurance-related mechanisms and functions for an exchange, as well as document decisions made in this regard. The Contractor will assist in the development and operation of an insurance workgroup. Specific responsibilities include, but are not limited to, the following tasks:

- 4.1 Assist the Issuing Office in performing the certification of qualified health plans core tasks specified in the grant application and pages 70-71 of the FOA.
- 4.2 Assist the Issuing Office in performing the quality rating system core tasks specified in the grant application and page 72 of the FOA.
- 4.3 Assist the Issuing Office in performing the "exceptions from individual responsibility requirement and payment" core tasks specified in the grant application and page 75 of the FOA.
- 4.4 Assist the Issuing Office in performing the "adjudication of appeals of eligibility determination" core tasks specified in the grant application and page 75 of the FOA.
- 4.5 Assist the Issuing Office in performing the "notification of appeals and employer liability" core tasks specified in the grant application and page 76 of the FOA.
- 4.6 Assist the Issuing Office in performing the "risk adjustment and transitional reinsurance" tasks specified in the grant application.
- 4.7 Assist the Issuing Office in performing the SHOP specific core tasks specified in the grant application and page 77 of the FOA.

- 4.8 Perform any other duties as required related to exchange insurance processes.

Lot 5 – Process Integration

The Process Integration Contractor will assess the existing capacity and capabilities of the Commonwealth’s processes and programs to determine if they can be leveraged for use by a state-operated exchange or a state-federal partnership exchange in their current form, whether and how they would need to be modified, or if it would be more cost-effective to develop new processes – assuming that integration across programs will promote end-to-end efficiency and will result in lower overall administrative cost. The Contractor will be responsible for advancing the exchange core areas of financial management, program integration, program integrity, and provision of assistance to individuals and small businesses. Specific responsibilities include, but are not limited to, the following tasks:

- 5.1 Assist the Issuing Office in performing the program integration core tasks specified in the grant application and pages 66- 68 of the FOA. This includes preparing a program integration gap analysis and assisting the multi-agency and MA/CHIP workgroup in developing a program integration plan.
- 5.2 Assist the Issuing Office in performing the financial management core tasks specified in the grant application and in page 68 of the FOA. This includes conducting an environmental scan of existing systems and establishing a financial management structure.
- 5.3 Assist the Issuing Office in performing the oversight and program integrity core tasks specified in the grant application and in page 69 of the FOA. This includes conducting an environmental scan of existing program integrity systems and determination of appropriate levels of financial oversight.
- 5.4 Assist the Issuing Office in performing the “providing assistance to individuals and small business” core tasks specified in the grant application and in page 69 of the FOA. This includes an environmental scan of current consumer assistance programs and analysis of consumer assistance data.
- 5.5 Assist the Issuing Office in performing the call center core tasks specified in the grant application and in page 71 of the FOA. This includes determining whether any existing call centers can be leveraged for exchange operations.
- 5.6 Assist the Issuing Office in performing the eligibility and enrollment core tasks specified in the grant application and in pages 73-74 of the FOA.
- 5.7 Provide recommendations on the most cost-effective ways to manage the population with incomes between 133%-200% FPL who will frequently transition between being eligible for Medicaid, CHIP and exchange subsidies (especially the premium tax credit), using the findings of the churn analysis to be performed by another consultant.
- 5.8 Provide recommendations on any necessary agreements needed among the exchange and the state Medicaid agency, other applicable state health subsidy programs, and other specific health and human services programs as appropriate, that address: (1) the roles and responsibilities related to

eligibility determination, verification, and enrollment; (2) the challenges in the program integration process, strategies for mitigating those issues, and timelines for completion; (3) strategies for compliance with the “no wrong door” policy; (4) standard operating procedures for interactions between the exchange and any relevant state agencies, including the Departments of Public Welfare, Insurance, Health and Revenue, as well as Treasury and the state’s eHealth Collaborative; and cost allocation between the exchange grants, Medicaid and CHIP Federal Financial Participation, and other funding streams.

- 5.9 Advise how the Commonwealth may best use a business rules engine for program logic external to software code, which is often easily editable using a natural language interface, for coordinating the Commonwealth’s business rules for eligibility screening and determinations for Medical Assistance, CHIP, premium tax credits and/or cost-sharing reductions. The Commonwealth currently uses a Corticon rules engine for Medical Assistance and CHIP eligibility screening and determinations.
- 5.10 Perform any other duties as required related to exchange process integration.

IV-5. Reports and Project Control.

The following reports and controls are required by the Issuing Office, unless otherwise directed by the Issuing Office as the Project proceeds:

- a. **Task Plan.** As described above, all of the Contractors will be required to develop a detailed Work Breakdown Structure (“WBS”) within 15 days of the award and notice to proceed to more succinctly identify the specific tasks and elements prescribed below, and to establish the critical path necessary to meet key milestones required by the federal government for the exchange. Once developed, the Issuing Office will also utilize the WBS as a means to report and track progress on the Project and will require the Contractors to make regular updates and changes to the WBS as needed. The WBS should be developed and submitted to the Issuing Office utilizing the Microsoft Project format.
- b. **Status Report.** A weekly progress report covering activities, problems and recommendations. This report should be keyed to the initial WBS developed by the Contractor (utilizing Microsoft Project format) at the outset of its involvement in the Project. Participation in weekly conferences among the Issuing Office, the exchange team, other state agencies and other Contractors may also be required.
- c. **Problem Identification Report.** An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Contractor recommendations with supporting rationale.

- d. **Final Report.** The Issuing Office will require submission of a final report upon completion of all tasks necessary for completion of the Project. The format of the final report should contain at least the following:
- i) Abstract or summarize the result of the services provided in terminology that will be meaningful to the Issuing Office and others generally familiar with the Project.
 - ii) Describe any data collection and analytical and other techniques used during the performance of the services.
 - iii) Summarize all findings, conclusions and recommendations developed with regard to each task.
 - iv) Include all supporting documentation; e.g., flow-charts, forms, questionnaires, working papers, etc.
 - v) Recommend a time-phased work plan for implementing the recommendations and any requirements for the further development, implementation and operation of a Pennsylvania exchange.

IV-6. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation.

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor's commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE A CONTRACTOR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.