

REQUEST FOR PROPOSALS FOR

VOLUNTARY BENEFITS

**COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF ADMINISTRATION
OFFICE OF THE SECRETARY
207 FINANCE BUILDING
HARRISBURG, PA 17120**

**RFP NUMBER
RFP - CN: 00023197**

DATE OF ISSUANCE

DECEMBER 12, 2006

**REQUEST FOR PROPOSALS FOR
VOLUNTARY BENEFITS
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**[CLICK HERE TO DOWNLOAD AND COMPLETE
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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 mbembenick@state.pa.us Questions must be received no later than 3 p.m. on January 5, 2007 in order to be accepted.	Potential Offerors	January 5, 2007 3:00 PM
Preproposal Conference—Commonwealth of Pennsylvania, Department of General Services, Bureau of Procurement, 555 Walnut Street, 6 th Floor, Conference Room #9, Harrisburg, PA 17120.	Issuing Office/Potential Offerors	January 18, 2007 10:30 AM
Answers to Potential Offeror questions posted to the DGS website (http://www.dgsweb.state.pa.us/comod/main.asp) no later than this date.	Issuing Office	January 25, 2007
Please monitor website for all communications regarding the RFP.	Potential Offerors	On-Going
Sealed proposal must be received at Commonwealth of Pennsylvania, Forum Place, 555 Walnut Street, 6 th Floor Bid Room, Harrisburg, PA 17120. Proposals must be received no later than 1:30 p.m. on February 13, 2007 in order to be accepted.	Offerors	February 13, 2007 1:30 PM

PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement ("Offerors") sufficient information to enable them to prepare and submit proposals for the Governor's Office of Administration's consideration on behalf of the Commonwealth of Pennsylvania ("Commonwealth") to satisfy a need for **Voluntary Benefits** ("Project"). Further described as the need to (1) communicate, (2) enroll, and (3) administer comprehensive voluntary (employee-pay-all) insurance benefits for active employees and qualified dependents subject to all relevant sections of the Internal Revenue Code (IRC). The desire of the Commonwealth is to provide a variety of high-quality benefits administered in a very cost-effective manner with excellent services to enrollees.

Suggested examples of the types of voluntary benefits that the Commonwealth likely would consider providing to enrollees include, but are not limited to:

- Long Term Care (LTC)
- Group Life
- Short-Term Disability (STD)
- Long-Term Disability (LTD)
- Critical Illness (CI)
- Cancer Insurance
- Supplemental Prescription Drug Insurance
- Pet Insurance

I-2. Issuing Office. The Governor's Office of Administration ("Issuing Office") has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Mr. Matthew Bembenick, Deputy Director, Governor's Office of Administration, 205 Finance Building, Harrisburg, PA 17120, E-Mail: mbembenick@state.pa.us, the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.

I-3. Scope. This RFP 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 Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement. The Commonwealth wishes to establish a voluntary insurance benefits program for permanent full-time employees and permanent part-time employees who work greater than 50% of regular full-time hours. This program will be offered solely to the approximately 79,000 employees of agencies who participate in the Commonwealth's Human Resource/Payroll system, SAP. Employee payroll deductions will be collected through payroll deductions using SAP. Approximately 83% of the employees are covered under collective bargaining agreements whereby their union must agree to the proposed benefit program. The total number of eligible employees may be decreased if unions do not agree to participate in this program.

All costs for the benefits, including but not limited to claims expenses, as well as the selected Offeror expenses for communication and administration will be paid through the enrollees' premiums and without any contribution from the Commonwealth. Additional detail is provided in Part IV of this RFP.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a **No-Fee** contract containing the Standard Contract Terms and Conditions as shown in **Appendix A** and available at http://www.dgs.state.pa.us/dgs/lib/dgs/forms/comod/procurementforms/archivedforms/std274_050704.doc. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project. Insurance policies issued under the contract must be issued directly to the Commonwealth. **There will be no cost to the Commonwealth for services provided by this contract.**

I-6. Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-7. Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-8. 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 RFP. Offerors should forward all questions to the Issuing Office in accordance with Part I, Section I-9 to ensure adequate time for analysis before the Issuing Office provides an answer. Offerors may also ask questions at the conference. In view of the limited facilities available for the conference, Offerors should limit their representation to three (3) individuals per Offeror. 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 Department of General Services' (DGS) website as an addendum to, and shall become part of, this RFP. Attendance at the Preproposal Conference is **optional, but attendance is strongly urged.**

I-9. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (with the subject line "RFP CN: 00023197, Question") to the Issuing Officer named in Part I, Section I-2 of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events.

The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP Part I, Section I-10. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP 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 RFP or formally issued as an addendum by the Issuing

Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website at

<http://www.dgs.state.pa.us/procurement/cwp/view.asp?a=3&O=124610&PM=1>.

I-10. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at www.dgsweb.state.pa.us/comod/main.asp. It is the Offeror's responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-11. Response Date. To be considered for selection, hard copies of proposals must arrive at the Department of General Services address listed on the Calendar of Events on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject, unopened, any late proposals.

I-12. Proposals. To be considered, Offerors should submit a complete response to this RFP, using the format provided in **Part II**, providing eleven (11) paper copies of the proposal to the Issuing Office. In addition to the paper copies of the proposal, Offerors shall submit two (2) **complete and exact** copies of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. For this RFP, the proposal must remain valid for **180** days or until a contract is fully executed. If the Issuing Office selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations. The information in the proposal will become a public record upon contract execution, except as limited by Section 106 (b)(1) of the *Commonwealth Procurement Code*, 62 Pa. C.S. § 106 (b)(1).

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror 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. An Offeror 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. An Offeror 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 RFP requirements.

I-13. 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 small disadvantaged businesses or 8(a) small disadvantaged business concerns.

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 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 offeror 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) 787-6708
Fax: (717) 772-0021
Email: gs-bmwbo@state.pa.us

Program information and a database of BMWBO-certified minority- and women-owned businesses can be accessed at www.dgs.state.pa.us, DGS Keyword: BMWBO. 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-14. 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 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-15. Economy of Preparation. Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

I-16. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

I-17. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-18. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

I-19. Proposal Contents. Offerors should not label proposal submissions as confidential or proprietary. The Issuing Office will hold all proposals in confidence and will not reveal or discuss any proposal with competitors for the contract, unless disclosure is required:

- i) Under the provisions of any Commonwealth or United States statute or regulation; or
- ii) By rule or order of any court of competent jurisdiction.

After a contract is executed, however, the successful proposal is considered a public record under the *Right-to Know Law*, 65 P.S. § 66.1—66.9, and therefore subject to disclosure. The financial capability information submitted under **Part II, Section II-7** shall not be disclosed in the final contract, **nor shall the cost verification information submitted under Part II, Section II-10 be disclosed in the final contract.** All material submitted with the proposal becomes the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Issuing Office, in its sole discretion, may include any person other than competing Offerors on its proposal evaluation committee. The Issuing Office has the right to use any or all ideas presented in any proposal regardless of whether the proposal becomes part of a contract.

I-20. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers." To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following:

- i) Enter into pre-selection negotiations, including the use of an online auction;
- ii) Schedule oral presentations; and
- iii) Request revised proposals.

The Issuing Office will limit any discussions to responsible Offerors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award. The Criteria for Selection found in **Part III, Section III-5**, shall also be used to evaluate the best and final offers. Price reductions offered through any reverse online auction shall have no effect upon the Offeror'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 negotiations, including the online auction.

I-21. News Releases. Offerors 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-22. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-23. Debriefing Conferences. Offerors whose proposals are not selected will be notified of the name of the selected Offeror 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 Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute the filing of a protest.

I-24. Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-24.** A Project Manager shall be designated by the Office of Administration to coordinate the activities of the selected Offeror and to insure satisfactory and timely performance of the contract. The Project Manager will coordinate the activities of the system in making records and files available to the selected Offeror, after the contract is executed.

I-25. Term of Contract. The term of the contract will commence on the Effective Date and will end three (3) years after the effective date. The initial term of the contract period is three (3) years with the option of two (2) one-year renewal periods, **which may be exercised in the sole discretion of the Commonwealth as one (1) two (2) year renewal or as two (2) one (1) year renewals.** The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-26. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- a. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). 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 Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- c. The Offeror 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 an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- d. The Offeror 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 Offeror 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 Offeror, the Offeror, 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 Offeror has disclosed in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror 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 Offeror that is owed to the Commonwealth.
- h. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- i. The Offeror 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 Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.

- k. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

I-27. Notification of Selection. The Issuing Office will notify the selected Offeror in writing of its selection for negotiation 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-28. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at <http://www.dgs.state.pa.us/procurement/cwp/view.asp?a=3&Q=124610&PM=1>.

A protest by a party not submitting a proposal must be filed within seven days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within seven days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than seven days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office.

I-29. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

PROPOSAL REQUIREMENTS

Offerors 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 RFP. Offerors 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. Each Proposal shall consist of the following three separately sealed submittals:

- a. Technical Submittal, which shall be a response to RFP Part II, Sections II-1 through II-8; provide eleven (11) paper copies and two (2) CD-ROM copies).
- b. Disadvantaged Business Submittal, in response to RFP Part II, Section II-9; provide one (1) paper copy and
- c. Cost Submittal, in response to RFP Part II, Section II-10, provide two (2) paper copies and two (2) CD-ROM copies.

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

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror 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 Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

a) **The following information must be provided by the Offeror in its proposal.**

(1) **Organization.**

(a) Briefly describe the history of the Offeror's organization and identify any parent business ties. Identify the office(s) or division that would be used to service this program and its address.

(b) Provide a copy of the Offeror's and/or Insurance Carrier(s) most recent

independently audited financial statements and/or tax returns— include ratings by the following organizations. **For minimum requirements, refer to Part III.**

	<u>Rating</u>	Most Recent Date <u>Rating Confirmed</u>
Fitch	_____	_____
Moody's	_____	_____
Best	_____	_____
Standard & Poor's	_____	_____

- (c) As of July 1, 2006, state the number of employers and number of employees for whom the Offeror provides the services that the Commonwealth will require of the Offeror. Indicate how many years the Offeror has been providing these services. Indicate how many of these employers have operations in the Commonwealth. Indicate how many employees of these customers work in the Commonwealth.
- (d) Indicate the number of years the Offeror organization has been providing services in the Commonwealth of Pennsylvania. **Please Note: All Offerors proposing to broker insurance services must be licensed to provide applicable insurance services in the Commonwealth of Pennsylvania.**
- (e) Indicate any recent or anticipated changes in the Offeror's corporate structure, such as mergers, acquisition, new venture capital, stock issue, etc.
- (f) Submit evidence of required liability insurance protection as indicated in Part IV-3.
- (g) Describe the nature of each complaint concerning the Offeror's products or services that has been filed with a state regulatory agency in the past twelve (12) months that has resulted in an adverse decision. Describe the outcome of the decision and the actions taken to prevent future occurrences.
- (h) We require that **all** plan participant inquiries go directly to the Offeror for their resolution. Describe the Offeror's processes and controls in providing member services (by phone, letter, in person, and/or online). Include the functions of:
1. Marketing;
 2. Counseling of participants;
 3. Enrollment;
 4. Maintaining beneficiary forms;
 5. Inquiries on benefits;
 6. Handling administrative service issues;
 7. Claim processing, including appeals;
 8. Resolution of payroll discrepancies; and

9. All other functions that will be provided by the Offeror.

- (i) Describe the Offeror's disaster recovery plans for the location that will serve the Commonwealth's employees.

(2) Implementation.

- (a) Provide an implementation time-line identifying each task and target date for an assumed May 1, 2007 effective date. The actual date of implementation will occur after execution of the contract and dates will be adjusted accordingly. Assume open enrollment may occur beginning July 1, 2007.
- (b) Provide a marketing strategy for the initial notification to participants of the new program and recruitment of participants.
- (c) Provide samples of typical communication materials that the Offeror may provide under this program.
- (d) Provide details regarding media to communicate the plan to employees.
- (e) Explain how the Offeror will transmit electronic interface files to begin, change, and stop payroll deductions. Indicate that the Offeror agrees to provide the data elements in the order and format required by the Commonwealth to update the HR/Payroll system. Include software, data elements for the file. See Part IV for the minimum required data elements and transmission format.

(3) Administration.

- (a) The benefits provided under this contract are voluntary and enrollment is contingent upon the Offeror providing benefits at a competitive rate and communicating the value of such benefits to employees. As such, the Commonwealth will not agree to minimum participation requirements for any benefits provided under this RFP.
- (b) Provide the implementation date of the most recent substantive changes to the Offeror's administrative processes/procedures for managing benefits/claims. If a change is contemplated between the date of the submittal and the end of the contract period, provide a brief description of the changes and the anticipated implementation dates.
- (c) Provide a marketing strategy for new hires in the ongoing administration of this contract.
- (d) Provide a marketing strategy for annual open enrollments.
- (e) Provide details regarding the various types of media that will be used to

communicate with employees in the ongoing administration of this contract.

- (f) Describe how the Offeror will communicate all plan and premium changes to the insured. Describe how this will be communicated to the Office of Administration and how much notice will be provided.
- (g) Part IV requires the Offeror provide a single website specific to the Commonwealth plan of benefits. Indicate whether the Offeror provides on-line enrollment. If not, explain why on-line enrollment is not provided. The Offeror's response should address any legal or administrative concerns with online enrollment. If the online enrollment functionality impacts the proposed premiums, the Offeror must include this in the separate Cost Submittal, Part II-10. . **No information regarding cost proposals should be included in the Offeror's response. If there is an impact on the proposed premiums, the Offeror must include this in the separate Cost Submittal, Part II-10.**
- (h) Part IV requires the Offeror provide a single toll-free customer service number. Describe how many customer service representatives will be handling phone calls solely for Commonwealth employees. Describe the hours of the Offeror's customer service department. Describe how the Offeror handles evening and weekend calls. Describe any special facilities available for the hearing impaired or for those where English is a second language.
- (i) Describe quality assurance parameters the Offeror has in place.
- (j) Indicate if the Offeror uses silent call monitoring for its customer service representatives, and at what frequency. Describe the steps that are taken if representatives provide erroneous information or act in an inappropriate manner.
- (k) Describe how member questions and issues will be addressed through the Offeror and the procedures and guidelines that will be used to escalate the problem to the next level of supervision/management; describe the level at which the Commonwealth will be notified.
- (l) Describe the manner in which subscriber eligibility, enrollment, and premium payment records are maintained. If this information varies by insurance plan, the Offeror should include any and all variances in their proposal.

- (m) State the Offeror's understanding of how the self-bill process will work for employees who are on Leave Without Pay or who terminate employment. The response also should address who should be contacted regarding billing issues.
- (n) Explain the procedures for processing a claim through the Offeror. If the claim process varies by insurance plan, the Offeror should include the procedures for each insurance plan. Indicate who approves the request for benefit eligibility.
- (o) Describe the Offeror's internal and external audits and controls. Explain how these systems ensure accurate billing and coverage based on eligibility data provided by the Commonwealth.
- (p) Provide samples of reports to be generated, without charge, clearly indicating any variances from the specifications in Part IV of the RFP. Indicate the proposed frequency of the reports.
- (q) Indicate the Offeror's willingness to provide flexibility for future changes to procedures, report formats, etc. as requested by the Commonwealth. Describe how this flexibility (or lack thereof) is consistent with the Offeror's administrative systems.
- (r) Describe how all contacts with employees (e.g., phone call, letter, e-mail) and the related action by the Offeror and Insurance Carrier are tracked by the Offeror. In addition to the reports required in Part IV, describe reports the Offeror will produce for the Commonwealth detailing these contacts and related action. Indicate the frequency of these additional reports.
- (s) Describe how records are maintained, backed-up, stored, and retrieved. Include any provisions for recovery from disaster. Explain how records are secured and how confidentiality of information is protected.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP 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 and corresponding Full-Time Equivalents (FTEs) allocated to each task.

- a) For each individual voluntary benefit product proposed, the following information must be provided.

(1) **General**

- (a) Provide the name of the recommended insurance carrier, if the recommended carrier is not the Offeror.
- (b) Describe the insurance product being proposed.
- (c) Describe why the insurance product is a significant benefit for employees and their eligible dependents.
- (d) Provide a detailed explanation of the benefit program and the level of benefits that will be provided to members.
- (e) Provide the typical participation percentage of the insurance product being proposed. Gender, Annual Salary, and Age of Employees eligible under the RFP are available at <http://www.dgsweb.state.pa.us/comod/main.asp>. Please include your participation estimates based on the following age ranges:

- i. <30
- ii. 30-34
- iii. 35-39
- iv. 40-44
- v. 45-49
- vi. 50-54
- vii. 55-59
- viii. 60-64
- ix. 65-69
- x. 70+

- (f) Describe the portability feature of the insurance product being proposed.
- (g) Provide a sample policy and insurance certificates for the Insurance product being proposed.
- (h) Provide samples of standard enrollment and claim forms for the Insurance product being proposed.
- (i) Indicate what percentage of applications submitted to the Offeror were approved and denied in the most recent twelve-month period.
- (j) Indicate that the Offeror guarantees coverage for the employee, spouse, or dependent upon initial enrollment. Describe all requirements and limitations other than during open enrollment. If there are any cost differences, provide cost information in the Cost Submittal, Part II-10. **No cost information should be included in the technical submittal.**
- (k) Describe any age limitations on enrollment.

- (l) If applicable, explain the Offeror's medical underwriting process used to determine insurability.
- (m) Provide the Offeror's HIPAA Compliance Policy for all applicable insurance solutions, as proposed. Please refer to **Appendix E, HIPAA Appendix**, for additional information regarding Commonwealth HIPAA standards as may be applicable to this procurement.
- (n) Indicate whether the Offeror's plan includes any pre-existing conditions limitation; if so, describe.
- (o) Provide the Offeror's standard list of exclusions for the product being proposed.
- (p) Indicate if there is an appeal process for underwriting denials; if so, describe.
- (q) Describe the Offeror's waiting period in detail. Indicate how days are counted. Indicate if the days must be consecutive.
- (r) Describe the Offeror's premium waiver provision.
- (s) Describe the Offeror's Coordination of Benefits (COB) feature, if one is available.
- (t) Supply an Explanation of Benefits (EOB) and sample EOB message.
- (u) Provide a recommendation on which family members will be eligible to participate in the proposed benefit program.
- (v) Describe requirements for participants who, during open enrollment, want to increase their coverage levels.
- (w) Explain the procedures for processing a claim. Describe the Offeror's average turnaround time from receipt of a claim. List the physical location of each office involved in the claims process.

II-4. Prior Experience. In order to be considered, the Offeror must provide documentation that it has experience with clients whose structure, size, and geographical nature is comparable to the Commonwealth of Pennsylvania. In particular, the Offeror must discuss experience in administering employee-pay-all accounts that are similar in size to this group, including the experience of any insurance carrier, if the Offeror is not an insurance carrier. Such experience should be demonstrated both at the firm level and at the team level, i.e., as it relates to the firms as a whole and collectively to those individuals to be assigned to the Commonwealth program.

Experience should demonstrate each firm's capability to provide the requested services. Where subcontractors, joint ventures, etc., are being proposed, provide the related work experience for the other firms and for all individuals of the other firms assigned to this project. Related work experience must be adequately described and should note the name of the client for which the services were provided, the period during which such services were rendered, and a brief description of those services as they relate to the services requested in this RFP.

Offerors must provide the Office of Administration with a list of clients that are similar in size, geographic distribution, and number of benefits offered, with references. **At a minimum, references for three (3) clients must be provided for each insurance program.** References should be those client personnel who can provide an opinion as to the quality, timeliness and acceptability of service performed. The reference information must include the name of the client and the name, title, address and telephone number of the responsible official of the client who may be contacted for reference purposes. If possible, references should include governmental and private employers.

II-5 Personnel. Include the number, and names where practicable, of the Account Manager, executive and professional staff who will be engaged in the work. Provide the following information for each of these employees assigned to this engagement:

- Related experience in the administration of group insurance benefits and the nature of the work performed in such administration.
- Education, including continuing education, and experience in the administration of group insurance benefits.
- Specific duties to be performed by the employee.
- Physical location of the principal office that the employee works from in the administration of group insurance benefits.
- Professional licenses and memberships.

The Offeror must agree that key personnel, once designated as assigned by the Offeror to the services covered by this RFP and the contract, must perform as designated in the absence of termination from the firm or other unavoidable circumstance. In the event assigned key personnel must be replaced, replacements are subject to approval by the Project Manager, and

should have comparable levels of responsibility and substantially equivalent experience and skills. **By submitting its proposal, the Offeror indicates its acceptance of this condition.**

II-6 Training. If appropriate, indicate recommended training of Commonwealth of Pennsylvania personnel. Include the 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.

Commonwealth personnel interaction with employees will be limited to attending certain open Enrollment meetings. Commonwealth personnel will not be involved in the promotion, enrollment, administration, or payment collection of the program.

II-7 Financial Capability. Describe your company's financial stability and economic capability to perform the contract requirements. Financial documents such as audited financial statements or recent tax returns will be acceptable to the Commonwealth.

II-8. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Appendix A** and/or the terms of Part IV, Section IV-4 of the RFP) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Appendix A**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Appendix A** and the terms of section IV-4 of the RFP. The Issuing Office will reject any proposal that is conditioned on the negotiation of terms and conditions other than those set out in **Appendix A** and the terms of section IV-4 of the RFP.

II-9. 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), an Offeror 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) Small Disadvantaged 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) or 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) 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 small disadvantaged business, must attest to the fact that the business has 100 or fewer employees.
 - 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 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 Offeror has established that a business is socially disadvantaged by clear and convincing evidence.

- iii) In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:
- 1) The name and telephone number of the Offeror's project (contact) person for the Small Disadvantaged Business.
 - 2) The business name, address, name and telephone number of the primary contact person for each Small Disadvantaged Business included in the proposal. The Offeror must specify each Small Disadvantaged Business to which it is making commitments. The Offeror will not receive credit for stating that it will find a Small Disadvantaged Business after the contract is awarded or for listing several businesses and stating that one will be selected later.
 - 3) The specific work, goods or services each Small Disadvantaged Business will perform or provide.
 - 4) The estimated dollar value of the contract to each Small Disadvantaged Business.
 - 5) Of the estimated dollar value of the contract to each Small Disadvantaged Business, the percent of the total value of services or products purchased or subcontracted that will be provided by the Small Disadvantaged Business directly.
 - 6) The location where each Small Disadvantaged Business will perform these services.
 - 7) The timeframe for each Small Disadvantaged Business to provide or deliver the goods or services.
 - 8) The amount of capital, if any, each Small Disadvantaged Business will be expected to provide.
 - 9) The form and amount of compensation each Small Disadvantaged 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.
- iv) The Offeror is required to submit only **one** copy of its Disadvantaged Business Submittal. The submittal shall be clearly identified as Disadvantaged Business information and sealed in its own envelope, separate from the remainder of the proposal.

- v) The Offeror must include the dollar value of the commitment to each Small Disadvantaged Business in the same sealed envelope with its Disadvantaged Business Submittal. The following will become a contractual obligation once the contract is fully executed:
 - 1) The amount of the selected Offeror's Disadvantaged Business commitment;
 - 2) The name of each Small Disadvantaged Business; and
 - 3) The services each Small Disadvantaged Business will provide, including the timeframe for performing the services.
- vi) A Small Disadvantaged Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- vii) An Offeror 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 Offerors.

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, an Offeror 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 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 Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:
- 1) The name and telephone number of the Offeror'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 Offeror must specify each Enterprise Zone Small Business to which it is making commitments. The Offeror will not receive credit for stating that it will find an Enterprise Zone Small Business after the contract is awarded 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 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 Offeror'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-10. Cost Submittal. The information requested in this **Part II, Section II-10** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost shall be broken down into the following components for each insurance product proposed.

Provide a rate card(s) detailing biweekly rates for each product offered, as described in Part I and Part IV. Age means Insured's age as of January 1 for the year insurance is elected. Rates proposed must represent the amount paid by employees who authorize payroll deductions and employees or spouses/dependents who utilize direct bill. For Gender, Annual Salary, and Age of employees eligible under the RFP, please refer to Appendix F. Additional information is available at <http://www.workforcereport.state.pa.us>.

Tables 18 and 19 of the Workforce Report provide information regarding occupational groupings.

If proposing any of the following benefits, please base your biweekly rates on the following cost units:

- Life Insurance
 - Employee per \$1,000 of insurance
 - Spouse per \$1,000 of insurance
 - Child per \$1,000 of insurance
 - Long Term Disability (LTD)
 - per \$100 of covered payroll
 - Long Term Care (LTC)
 - per \$10 of daily benefit allowance (DBA)
- a) Please see Appendix D – Sample Rate Card for format information. Please adhere to this format as closely as possible. Rate card(s) should also be provided in spreadsheet format (Microsoft Excel or similar).
 - b) What has been your average Loss Ratio (paid and incurred) for voluntary insurance services over the past three years? Provide individual Loss Ratio (paid and incurred) information for each insurance product proposed.
 - c) What has been your average expense ratio for voluntary insurance services over the past three years? Provide individual expense ratio information for each insurance product proposed.

- d) If proposing a Group Term Life Insurance product, indicate whether a Living Benefits rider will be provided at no additional cost.
- e) How will renewals be calculated and how will they be handled?
- f) Indicate if the firm will provide a rate guarantee for three years. If the firm is willing to guarantee the rate for longer, please specify.
- g) Termination Charges. The Commonwealth will not agree to the inclusion of termination charges as may be assigned to policy holders as part of this contract
- h) Broker Costs. Please indicate the overall percentage of premium costs allocated to broker costs (fees). In addition, please break out the percentages of broker cost allocated to the following categories, where applicable (and as needed):
 - i. Wages (Direct Labor)
 - ii. Labor Overhead
 - iii. Travel/Subcontractor Travel
 - iv. Subcontractor Costs
 - v. Supplies/Materials
 - vi. Other Direct
 - vii. General Overhead
 - viii. Subcontractor Overhead
 - ix. Equipment
 - x. Audit
 - xi. Facilities
 - xii. Fee (Profit)

If broker costs vary by product offering, please provide separate cost break-outs for each product proposed.

II-11. Domestic Workforce Utilization Certification. Complete and sign the Domestic Workforce Utilization Certification contained in Appendix B of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal must be:

- a. Timely received from an Offeror;
- b. Properly signed by the Offeror.

III-2. Technical Nonconforming Proposals. The Issuing Office reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in an Offeror's proposal.

III-3. 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. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors. The Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program*. **Please Note: The Commonwealth reserves the right to disregard and to not evaluate individual product offerings that do not meet the Commonwealth's needs and/or interests, as determined by a committee of qualified personnel selected by the Commonwealth.**

III-4. Mandatory Criteria. This area specifies certain mandatory requirements that must be met in order for a proposal to be considered. Failure to meet these criteria will result in a disqualification of the proposal. The mandatory criteria are:

- a) **Minimum financial ratings.** All Insurance Carriers included in this proposal must have a current financial rating on the organization's ability to pay claims which is equal to or exceeds the standard listed below for at least two of the four rating services listed.

A.M. Best	A-
Fitch	AA
Moody's	Aa
Standard & Poor's	AA

- b) **Licensing.** Any insurance carrier used by the Contractor must be licensed to provide applicable insurance services in the Commonwealth of Pennsylvania

III-5. Criteria for Selection. The following criteria will be used, in order of relative importance from the highest to the lowest weighted factors, in evaluating each proposal.

I. Technical: Evaluation will be based upon the following in order of importance:

- a. **Understanding the Problem.** This refers to the Contractor's understanding of the Commonwealth's needs that necessitated the RFP, realizing the Commonwealth's objectives in seeking the services – particularly in regard to the variety of benefits proposed and their usefulness to Commonwealth employees (actual or perceived), perceiving the nature and scope of the work involved, and being able to produce a viable solution. Emphasis here also is placed on the techniques for collecting and analyzing data, the sequence and relationships of major steps, and the methods for managing the project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet the objectives.
- b. **Contractor Qualifications.** This refers to the capability of the Contractor to deliver a solution to the Commonwealth's problems as stated in the RFP. Consideration will be given to the past experience of the Contractor, especially in the nature, relevancy, scope, time critical linkages, quality, and recentness of the Contractor's projects. This also includes the Contractor's financial ability to undertake a project of this size.
- c. **Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Contractor. Qualifications of professional personnel will be measured by experience and education, with particular reference to the experience on projects similar to that described in the RFP. Particular emphasis is placed on the qualifications of the account manager.

2. Cost. To evaluate cost submittals, the Commonwealth will utilize the following process: 1) The Commonwealth will determine a relative value for each proposed plan based upon its specific plan provisions. 2) The Commonwealth will calculate the cost for each proposed plan using a common set of enrollment assumptions at each age bracket. 3) The Commonwealth will determine which proposal has the lowest overall cost by weighing the value of proposed plan provisions in conjunction with respective premiums.

3. Disadvantaged Business Participation: 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 proposal 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 an Offeror qualifies 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.

Enterprise Zone Small Business Participation. 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 the highest score.

Priority Rank 2

Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive the next highest score for this criterion.

Priority Rank 3

Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will receive the lowest score for this criterion.

Priority Rank 4

Proposals with no Enterprise Zone Small Business Utilization shall receive no points under this criterion.

To the extent that an Offeror is an Enterprise Zone Small Business, the Offeror 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 RFP.

Domestic Workforce Utilization. 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 Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal. The certification will be included as a contractual obligation when the contract is executed.

III-6. Please Note: For all supplemental insurance products proposed, the Commonwealth may choose to award contracts for such products to one or more vendors, at its discretion.