



COMMIT Project

Hope is not a Strategy!



Agenda

- **Meeting Logistics**
- **Introductions**
- **Opening Remarks**
- **2nd Draft Topics**
 - **Missed Items/Modifications**
 - **Staffing**
 - **Contract Stages**
 - **Budget**
 - **Pricing Schedules**
 - **Contract Incentives**
 - **Proposal Scoring (cost and technical)**
 - **Evaluation (criteria, weights, etc.)**
 - **iPad Submission**
 - **Contract Terms**
 - **Confidentiality**
 - **Tentative Timelines**
- **Open Q&A**



Logistics

- **Restrooms**
- **Silence cell phones**
- **No recording – no formal output will be provided**
- **Breaks**



Introductions



Opening Remarks

- **RFP Not Approved by CMS**
- **IAPD Not Approved by CMS**

- **RFP Budget Not Approved by General Assembly**
 - **Won't officially occur until FY 2013-14 Long Bill with Figure Setting in February 2013**



Opening Remarks

Decision Making Process:

- **1st: Research, Best Practices, Demos**
- **2nd: Consultation with Vendors**
- **3rd: Command – Final Decisions**
 - **Department CS&O Division Leadership on RFP Requirements**
 - **Department Procurement on RFP Fundamentals**
 - **General Assembly for Budget Approval**
- **Purpose: Open discussion. Not here to vote or generate a consensus decision making process.**
 - **Don't hold back. Let us know about your concerns now – we can't fix if we don't know the problem.**
 - **Increased Bidder Participation. We would like to see a true open market.**



2nd Draft – Missed Items

- **Health Benefit Plan definition and specific requirements in Attachment A.**
 - **Rules-driven design to easily configure services, service limitations, provider rates, and client cost sharing amounts within a Health Benefit Plan.**
 - **Allow the Department to define Health Benefit Plans unique to specific populations.**
 - **Different payment methodologies and provider payments (or rates) within Health Benefit Plans**
 - **Participating MCOs could be setup as a Health Benefit Plan**
 - **Need the ability to have various payment methodologies in the MMIS**
 - **Includes provider incentive payments**



2nd Draft – Missed Items

- **Net Profit requirement has been deleted from RFP**
 - **Requirement 1005 will be deleted**
- **Key Personnel/Staffing Changes**
- **Proposed Contract Stages Modifications**
 - **Removed CMS Certification from Stage II Implementation – now represented as a separate milestone**
- **MITA 3.0**
- **Offeror's Response Formatting – more clarification needed**
- **Roll-up Costs (Pricing Schedules) – duplication of costs**
- **Procurement Library**



2nd Draft – Staffing

- **Key job duties required throughout the Contract**
 - **These job duties must be performed by key personnel, but can be shared amongst key personnel roles (e.g., does not necessarily require separate people), where practical.**

Key Personnel	BPR	Stage I	Stage II	Stage III	Operations
Account Manager	X	X	X	X	X
BPR Manager	X				
DDI Manager		X	X	X	
Publication Manager		X			X
Operational Transition and Readiness Manager			X	X	X
Fiscal Agent Operations Manager		X	X	X	X
Compliance Manager		X	X	X	X



2nd Draft – Contract Stages

- **Business Process Re-Engineering (BPR) Stage**
 - Internal change management process
 - Will not result in any Contract price renegotiations on behalf of the Department or the Contractor
- **Implementation Stage I: Online Provider Enrollment**
 - ACA Provider Screening Rules
- **Implementation Stage II: Core MMIS and Supporting Services Implementation**
 - Completed by July 2016 when claims processing begins.
- **Implementation Stage III: Supporting Services Implementation**
 - Additional functionality and enhancements (not critical to CMS Certification or claims processing).
- **Ongoing MMIS Operations and Fiscal Agent Operations Stage**



2nd Draft – Budget

- **RFP Budget Not Approved by General Assembly**
 - **Won't officially occur until FY 2013-14 Long Bill**
- **Nov 1 Budget for this RFP**
 - **FY 2013-14: \$9,300,000**
 - **FY 2014-15: \$25,500,000**
 - **FY 2015-16: \$25,500,000**
 - **FY 2016-17: \$20,000,000**
- **Proposals should focus on the totals in the RFP, not the breakout by State Fiscal Year**
 - **DDI Budget Pool: \$80,300,000 total**
 - **Operations Budget Pool: \$25,000,000 per state fiscal year**
 - **These are “not to exceed” amounts**
- **Does revised budget make opportunity more feasible and/or attractive?**



2nd Draft – Pool Hours

- **Enhancement Pool Hours will be utilized to make configuration and customization changes (as authorized by the Department).**
- **These activities are not considered part of the Contractor’s proposed solution or related to original requirements developed post-implementation.**
- **Payment for “enhancement pool” services under the Contract will not be based on a number of hours; will be based on whether the Contractor maintains the staffing resources as proposed.**
- **Concerns with this approach?**



2nd Draft – Pricing Schedules

- **Streamlined Pricing Schedules**
 - **Monthly Payments**
 - **Conclusion of Stage Payment (10%)**
 - **Incentive Payments**
- **If Contractor completes Contract Stage earlier than proposed, they will receive the full payment.**
- **Monthly Payments are paid in accordance with dates proposed and will end at the proposed Stage end date, even if Stage is not completed.**
 - **If Contractor completes Contract Stage later than proposed, they will still receive the full payment, but not until Stage is completed.**
 - **Impact of delayed payment: Contractor loses potential cash flow and interest.**
- **Does the proposed structure allow for Vendors to maintain sufficient cash flow during the DDI phases?**



2nd Draft – Incentives

- **Asking Vendors to propose the Operational-level or Service-level agreements**
 - **These Operational-level or Service-level agreements will be applied to receive Performance Incentives**
 - **More focused on incentives than liquated damages**
- **How Incentives will apply to Appendix A Requirements**
 - **Call Center Metrics**
 - **Provider Enrollment Metrics**
 - **Business Continuity and Disaster Recovery**
- **Staff Retention Incentives**
 - **90% retention of Key Personnel**
 - **90% retention of Business Analysts**
- **Concerns with this approach?**



2nd Draft – Technical Scoring

	BPR Stage	Implementation Stage I	Implementation Stage II	Implementation Stage III	Ongoing MMIS Operations and Fiscal Agent Operations Phase	Not Met
Priority 1	1.50	1.50	1.50	1.25	1.00	0.00
Priority 2	1.25	1.25	1.25	1.25	1.00	0.00
Priority 3	1.00	1.00	1.00	1.00	1.00	0.00
Optional	.75	.75	.75	.75	.75	0.00

- **Quantitative methodology based on approach within proposed budget**
- **Based on responses to requirements in Appendix A, as well as responses in Appendix D – Offerors Response Worksheet**
- **Concerns with this quantitative approach or Optional scoring?**



2nd Draft – Cost Proposal Scoring

- It isn't winner take all
- Example (based on 1,000 maximum points)

Vendor	DDI (3.5%)	Operations (12%)
A	\$80,000,000	\$24,000,000 (x 5)
B	\$70,000,000	\$24,000,000 (x 5)
C	\$80,000,000	\$22,000,000 (x 5)

Vendor	DDI Points (35 Max)	Operations Points (120 Max)	Total Points
A	30.6	110.0	140.6
B	35.0	110.0	145.0
C	30.6	120.0	150.6



2nd Draft – Evaluation Criteria

- **Technical Proposal Evaluation = 80%**
 - **Qualitative Calculation for Requirements and Proposal Narrative = 60%**
 - **Background and Experience = 10%**
 - **Corporate Capabilities and Commitment = 5%**
 - **Financial Stability = 2.5%**
 - **Understanding of Solicitation and Project Goals = 2.5%**

- **Are the proposed Technical evaluation points weighted correctly?**



2nd Draft – Evaluation Criteria

- **Cost Proposal Evaluation = 20%**
 - **DDI = 3.5%**
 - **Operations = 12.0%**
 - **Hourly Rate for Modifications = 0.5%**
 - **Incentives in DDI = 1.0%**
 - **Incentives for Operations = 1.0%**
- **Are the proposed Cost evaluation points weighted correctly?**



2nd Draft – Evaluation

- The Evaluation Committee will hold oral presentations during the Proposal Evaluation Phase to clarify and/or demonstrate specific area(s) of Offerors' Proposals or to see live demonstrations of the proposed solutions.
 - Offerors whose **technical proposals** are within ten percent (10%) of the highest scoring technical proposal
 - Evaluation Committee will rescore the technical proposal vs. independent score
- The Evaluation Committee may request best and final offers from the Offerors during the Proposal Evaluation Phase to clarify Offerors' Price Proposals.
 - Offerors whose **technical proposals** are within ten percent (10%) of the highest scoring technical proposal



2nd Draft – iPads

- **Considerations:**
 - **Vendors could submit reduced number of iPads and allow the Department to upload all proposals to a single iPad**
 - Each individual reviewer would utilize a single iPad with all proposals
 - iPads would not be returned due to logistical issues
 - **The Department could purchase the iPads directly and not require Vendors to submit any iPads**
 - This would enable the Department to choose a different mobile device (e.g. Microsoft Surface) for the reviewers
 - **Is there a concern that if the reviewing device is not provided directly by the Vendor, or not fully specified in the RFP, that proposal(s) will be at a disadvantage?**

- **Other ideas or concerns?**



2nd Draft – Contract Terms

- **Limitation of Liability for MMIS Contract**
 - 2 times the value of the original Contract
- **Software**
 - Developed under this Contract – property of the State
 - Developed outside of Contract, but used to operate and maintain the System – 10 year use by the State after Contract ends
- **State Controller has agreed to these terms and does not want additional negotiation after the Contract award**
 - If Vendor does not agree to these terms, proposal may be disqualified
- **Have Vendors reviewed draft language with their internal risk management staff?**
 - Department needs to know about any issues prior to releasing final RFP



2nd Draft – Contract Terms

Liquidated Damages

- **The Department plans to assess Liquidated Damages if the System and Fiscal Agent Services are not operational by July 1, 2017, which is one year past the expected implementation date of July 1, 2016**
 - **Assessed as the amount to be paid to the incumbent contractor to continue operation of the current system during the delay period**
 - **Assessed as the contractual amounts to be paid by the State to the BIDM and PBMS contractors during the delay period**
- **May be calculated at the monthly rate, rather than daily rate, since incumbent contractor needs notice to cease operations and reassign staff**



2nd Draft – Confidentiality

- **Are there concerns with the Department’s very limited view of confidentiality on an Offeror’s Response?**
- **The Department may entertain requests for confidentiality on the basis of “trade secret” or “proprietary information”**
 - **Arguments that Processes used in other government entities are considered “trade secrets” or “confidential information” will be difficult for the Department to confirm**
 - **Previous work performed for a governmental agency has already been publicly disclosed, exposing the Proposer’s “trade secret”**
- **All processes under this RFP, unless copyrighted or trademarked, become the property of the State**
- **Any information regarding property owned by the State is open for public disclosure**



2nd Draft – Tentative Timeline

- **Core MMIS and Supporting Services operational by July 1, 2016**

1/18/2013	Official RFP Release
5/17/2013	RFP Responses due from Vendors
8/2/2013	Notice of Intent to Award
11/1/2013	Contract Start

- **Is this enough time to complete DDI?**



2nd Draft – Tentative Timeline

- **Proposed modification to PBMS and BIDM RFP timelines so the implementations correspond to the Core MMIS and Supporting Services implementation date of July 1, 2016**
 - **Draft BIDM RFP may not be ready for Vendor review until early April 2013**
 - **Thoughts or concerns about proposed timeline modification?**
- **Does this RFP/Contract/DDI Timeline conflict with other State's RFP?**



Open Q&A

- **What did you generally like about the RFP?**
- **What did you dislike about the RFP?**
- **Any show-stoppers – No Bid Issues?**
- **Continue to send comments...**
 - **RFPQuestions@hcpf.state.co.us**