



**DEPARTMENT OF BUDGET & MANAGEMENT  
EMPLOYEE BENEFITS DIVISION**

**REQUEST FOR PROPOSALS (RFP)**

SOLICITATION No. F10B3400005

**Issue Date: August 22, 2013**

**DENTAL PLAN ADMINISTRATION AND INSURANCE SERVICES  
[DENTAL PREFERRED PROVIDER ORGANIZATION / DENTAL HEALTH  
MAINTENANCE ORGANIZATION]**

**NOTICE**

A Prospective Offeror that has received this document from the Department of Budget and Management's website or <https://emaryland.buyspeed.com/bsol/>, or has received this document from a source other than the Procurement Officer, and wishes to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide the Prospective Offeror's name and mailing address so addenda to the RFP or other communications can be sent to the Prospective Offeror.

**Minority Business Enterprises Are Encouraged to Respond to this Solicitation**

**STATE OF MARYLAND  
NOTICE TO VENDORS**

In order to help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding this solicitation. Please return your comments with your response. If you have chosen not to respond to this Contract, please email or fax this completed form to the attention of the Procurement Officer (see Key Information Summary Sheet for contact information).

**Title: State of Maryland Dental Plan Administration and Insurance Services**  
**Solicitation No: F10B3400005**

1. If you have chosen not to respond to this solicitation, please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with the State of Maryland is simply too complicated. (Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the Proposal/Proposal is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Bid/Proposal requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- MBE or VSBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- Payment schedule too slow.
- Other: \_\_\_\_\_

2. If you have submitted a response to this solicitation, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Attach additional pages as needed.)

REMARKS:

\_\_\_\_\_  
\_\_\_\_\_

Vendor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**STATE OF MARYLAND  
DEPARTMENT OF BUDGET AND MANAGEMENT  
RFP KEY INFORMATION SUMMARY SHEET**

**Request for Proposals:** Dental Plan Administration and Insurance Services

**Solicitation Number:** F10B3400005

**RFP Issue Date:** August 22, 2013

**RFP Issuing Office:** Department of Budget and Management (DBM)  
Employee Benefits Division (EBD)

**Procurement Officer:** Andrea R. Lockett  
45 Calvert Street, Room 145  
Annapolis, MD 21401  
Office Phone: (410) 260-7374 / Fax: (410) 974-3274  
E-mail: [Andrea.Lockett@maryland.gov](mailto:Andrea.Lockett@maryland.gov)

**Contract Manager/Monitor:** Anne Timmons  
DBM, Employee Benefits Division (EBD)  
301 W. Preston Street, Room 510  
Baltimore, MD 21201  
Office Phone: (410) 767-4710 / Fax: (410) 333-7122  
E-mail: [Anne.Timmons@maryland.gov](mailto:Anne.Timmons@maryland.gov)

**Proposals are to be sent to:** Attention: Andrea R. Lockett  
(See address for Procurement Officer listed above)

**Pre-Proposal Conference:** August 28, 2013 10:00 AM Local Time  
Department of Budget and Management  
201 W. Preston Street, Conference Room L-3  
Baltimore, MD 21201

**Closing Date and Time:** September 26, 2013 @ 2:00 PM Local Time

**MBE Subcontracting Goal(s):**

Functional Area 1 – DHMO-FI	0.5% of total premiums paid to Contractor(s)
Functional Area 2 – DPPO-FI	0.5% of total premiums paid to Contractor(s)
Functional Area 3 – DPPO-SF	0.5% of total administrative fees paid to Contractor(s)

**VSBE Subcontracting Goal(s):**

Functional Area 1 – DHMO-FI	0.05 % of total premiums paid to Contractor(s)
Functional Area 2 – DPPO-FI	0.05 % of total premiums paid to Contractor (s)
Functional Area 3 – DPPO-SF	0.5 % of total administrative fees paid to Contractor(s)

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## **SECTION 1 - GENERAL INFORMATION**

### **1.1 Summary Statement**

1.1.1 The Department of Budget and Management (DBM or the Department) is issuing this Request for Proposals (RFP) to provide dental benefits for State members and their dependents as part of the State of Maryland Employee and Retiree Health and Welfare Benefits Program (Dental Benefits Program). The scope of this RFP is to provide dental benefit services for eligible Participants of the State's employee benefits program beginning with the plan year effective January 1, 2015. The State's goal is to offer a complement of affordable dental benefits possibly to include a fully insured Dental Health Maintenance Organization (DHMO) and a fully insured **or** self-funded Dental Preferred Provider Organization (DPPO) in order to attract and retain valued employees as well as ensure their long term well-being. The State is requesting service be provided for the following functional areas:

**Functional Area 1 – DHMO Fully Insured [DHMO-FI]**

**Functional Area 2 – DPPO Fully Insured [DPPO-FI]**

**Functional Area 3 – DPPO Self-Funded [DPPO-SF]**

1.1.2 It is the State's intention to obtain services, as specified in this RFP, from a Contract between the successful Offeror(s) and the State.

1.1.3 Offerors may submit a proposal for one or all functional areas. For each functional area being proposed, the Offeror must submit separate complete proposals.

1.1.4 Offerors, either directly or through their subcontractor(s), must be able to provide all services and meet all of the requirements requested in this solicitation and the successful Offeror (the Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.

1.1.5 The Segal Company and Managed Care Advisors, as the State's benefits consultants, are assisting the State in this procurement.

### **1.2 Abbreviations and Definitions**

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- a. Account Manager** – The Representative appointed by the Contractor who is responsible for the daily management and administrative functions of the Contract at the various facility locations from the Contractor's perspective.
- b. BAFO** – Best and Final Offer; a BAFO may be requested by the Procurement Officer in order to permit written revisions to an Offeror's initial proposal.
- c. BAS** – Benefits Administration System that is the State's automated enrollment system.

- d. **Business Day(s)** – The official Working Days of the week to include Monday through Friday. Official Working Days exclude State Holidays (see definition of “Normal State Business Hours” below).
- e. **CDT** – Current Dental Terminology.
- f. **COB** – Coordination of Benefits.
- g. **COBRA** – Consolidated Omnibus Budget Reconciliation Act.
- h. **COMAR** – Code of Maryland Regulations available on-line at [www.dsd.state.md.us](http://www.dsd.state.md.us).
- i. **Contract** – The Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of **Attachment A**.
- j. **Contract Commencement** - The date the Contract is signed by the Department following approval of the Contract by the Board of Public Works, if such approval is required. See Section 1.4.1.
- k. **Contract Employee** – A non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the Dental Benefits Program, paying full premium costs.
- l. **Contract Manager/Monitor (CM)** – The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope.
- m. **Contractor** – The selected Offeror that is awarded a Contract by the State.
- n. **Covered Entity** – A covered entity as defined by 45 CFR §160.103.
- o. **Covered Lives** – Total number of Participants covered by a plan.
- p. **CPB** - The State of Maryland Central Payroll Bureau.
- q. **Department or DBM** – Department of Budget and Management.
- r. **Dental Benefits Program** – The group dental plans administered for State employees, retirees and their dependents, as part of the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- s. **Dependent** – An eligible person as defined in COMAR 17.04.13.03(A)(9), as amended from time to time. See <http://www.dsd.state.md.us/comar/getfile.aspx?file=17.04.13.03.htm>.
- t. **Dependent Child** – An eligible person as defined in COMAR 17.04.13.01(B)(3), as amended from time to time. See <http://www.dsd.state.md.us/comar/getfile.aspx?file=17.04.13.01.htm>.
- u. **DHMO** – Dental Health Maintenance Organization.



- v. **Direct Pay Enrollee** – An individual who is billed directly by the Department of Budget and Management for selected benefits.
- w. **DPPO** – Dental Preferred Provider Organization.
- x. **EBD** – Employee Benefits Division of the Department of Budget and Management.
- y. **eMM** – eMaryland Marketplace (see RFP Section 1.8).
- z. **Enrollment** – When used in **Attachments D1 – D5, Attachment D supplements, Attachment D instructions**, and RFP §1.10 means the participating member only and does not include all covered lives the member chooses to cover under his/her plan.
  - aa. **EOB** – Explanation of Benefits.
  - bb. **Go-Live Date** – The date when the Contractor must begin providing all services required by this solicitation. See Section 1.4.3.
  - cc. **HIPAA** – Health Insurance Portability & Accountability Act, and its corresponding regulations, as amended from time to time.
  - dd. **LAW** – An unpaid leave of absence up to 24 months elected by a permanent employee, who is not eligible for State subsidy of benefits but is eligible to participate in certain benefits provided by the State of Maryland while on the unpaid leave of absence as defined in the State Personnel and Pensions Article, Sections 9-701 through 9-705, Annotated Code of Maryland and COMAR 17.04.11.07.
  - ee. **Local Time** – Time in the Eastern Time Zone as observed by the State of Maryland. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.
  - ff. **Minority Business Enterprise (MBE)** – Any legal entity certified as defined at COMAR 21.01.02.01B(54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.
  - gg. **Medical Records Act** – The Maryland Confidentiality of Medical Records Act, Annotated Code of Maryland, Health-General Article, Title 4, Subtitle 3.
  - hh. **Member** – An employee, retiree or direct pay enrollee who is eligible to participate in the Dental Benefits Program pursuant to COMAR 17.04.13.03A, as amended from time to time, but does not include the member’s dependent(s).
- ii. **MIS** – Management Information System.
- jj. **MIA** - Maryland Insurance Administration.

- kk. Normal State Business Hours** – Normal State business hours are 8:00 a.m. – 5:00 p.m. Monday through Friday except State Holidays, which can be found at: [www.dbm.maryland.gov](http://www.dbm.maryland.gov) – keyword: State Holidays.
- ll. Notice to Proceed (NTP)** – A letter from the Contract Monitor to the Contractor stating the date the Contractor can begin work subject to the conditions of the Contract. After Contract Commencement (see Section 1.4.1), additional NTPs may be issued by the Contract Monitor regarding the start date for any service included within this RFP with a delayed, or non-specified implementation date, or if the Department decides to exercise any optional services identified in this RFP.
- mm. Offeror** – An entity that submits a Proposal in response to this RFP.
- nn. Participant** – Each individual covered by a plan (Members and Dependents).
- oo. Part-Time Employee** – A permanent employee who works less than fifty percent of the standard workweek and is not eligible for state subsidy of benefits, but is eligible to enroll in the Dental Benefits Program.
- pp. PHI** – Protected Health Information, as the phrase is defined in 45 CFR §164.501.
- qq. PEPM** – Per Employee Per Month; the cost for each Employee or Retiree on a monthly basis.
- rr. PPE** – Pay Period Ending.
- ss. Procurement Officer** – The State representative for the resulting Contract. The Procurement Officer is responsible for the Contract and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.
- tt. Proposal** – As appropriate, either or both of an Offeror’s Technical or Financial Proposal.
- uu. Reasonable and Customary (R&C)** – A fee for a health service that is within the range of usual fees charged by providers of similar training and experience, for the same service, within the same geographic area.
- vv. Request for Proposals (RFP)** – This Request for Proposals issued by the Department of Budget and Management, Solicitation Number F10B3400005 dated August 22, 2013, for a “**Dental Plan Administration and Insurance Services, Solicitation No. F10B3400005**” including any addenda.
- ww. Satellite Account Employee** – An employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the Dental Benefits Program.
- xx. Spouse** – An eligible person as defined in COMAR 17.04.13.01(B)(9), as amended from time to time. See <http://www.dsd.state.md.us/comar/getfile.aspx?file=17.04.13.01.htm> .
- yy. State** – The State of Maryland.

- zz. **Subcontractor** – An organization or entity that the Offeror plans to utilize for the purposes of services covered under this contract.
- aaa. **TIN** – Tax identification number.
- bbb. **Total Evaluated Price** - The Offeror’s total proposed price for services in response to this solicitation, included in the Financial Proposal with **Attachment F – Financial Proposal Form**, and used in the financial evaluation of proposals (see RFP Section 5.3).
- ccc. **TPA** – Third Party Administrator.
- ddd. **TTY/TDD** – A telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.
- eee. **Use** – With respect to individually identifiable health information, the sharing, application, utilization, examination, or analysis of such information within an entity that maintains such information.
- fff. **Utilization Review (UR)** – Evaluation of the necessity, quality, effectiveness, efficacy, or efficiency of dental services, procedures and facilities.
- ggg. **Veteran-owned Small Business Enterprise (VSBE)** – a business that is verified by the Center for Veterans Enterprise of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.
- hhh. **Working Day(s)** – Same as “Business Day(s).”

<b>1.3 Contract Type</b>
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The Contracts resulting from this solicitation shall be an Indefinite Quantity Contract with Fixed Unit Prices as defined in COMAR 21.06.03. The Fixed Unit Prices will be those reflected in the Offeror’s Financial Proposal(s), **FA1 Attachment F, FA2 Attachment F and FA3 Attachment F**, as appropriate.

<b>1.4 Contract Duration</b>
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- 1.4.1 The Contract that results from this solicitation shall commence as of the date the Contract is signed by the Department following approval of the Contract by the Board of Public Works, if such approval is required (“Contract Commencement”).
- 1.4.2 From the date of Contract Commencement through approximately December 31, 2014, or a later date as contained in a Notice to Proceed issued by the Procurement Officer, the Contractor shall perform start-up activities (See RFP Section 3.2, “Project Implementation Milestones and Due Dates”) such as are necessary to enable the Contractor to begin the successful performance of Contract activities as of the Go-Live Date (See RFP Section 1.4.3). No compensation will be paid to the Contractor for any start-up activities it performs between the date of Contract Commencement and the Go-Live Date. Following the end of this Contract, the Contractor shall be responsible for handling claims payments for claims incurred prior to the end of the Contract;

the Contractor's obligations as insurer with respect to covered services during a period of coverage shall survive the expiration of the Contract.

- 1.4.3 As of the Go-Live Date of January 1, 2015, or a later date as contained in a Notice to Proceed issued by the Contract Monitor, the Contractor shall begin performing all activities required by the Contract, including the requirements of the solicitation, and the offerings in the Technical Proposal, for the compensation contained in the Financial Proposal.
- 1.4.4 The duration of the Contract will be from the date of Contract Commencement through approximately a period covering five (5) plan years for the provision of all services required by the Contract, and the requirements of the RFP including the start-up activities described in RFP Section 1.4.2. The contract shall commence as described in RFP Section 1.4.1 and cover implementation prior to the first plan year and run-out, audits, and reconciliation processes following the last covered plan year. It is anticipated that the first plan year covered by the contract will begin as of the Go-Live Date of January 1, 2015, and that run-out, audits and reconciliation processes will conclude no later than 18 months following the last day of the last plan year covered by the Contract.
- 1.4.5 The Contractor's obligations to pay invoices to subcontractors that provided services during the Contract term, as well as the audit, confidentiality, document retention, and indemnification obligations of the Contract (see **Attachment A**) shall survive expiration or termination of the Contract and continue in effect until all such obligations are satisfied.

## **1.5 Procurement Officer**

The sole point of contact in the State for purposes of this solicitation prior to the award of any Contract is the Procurement Officer at the address listed below:

Andrea R. Lockett  
Procurement Officer  
Department of Budget and Management  
45 Calvert Street, Room 145  
Annapolis, MD 21401  
Phone Number: (410) 260.7374  
Fax Number: (410) 974.3274  
E-mail: [Andrea.Lockett@maryland.gov](mailto:Andrea.Lockett@maryland.gov)

The Department may change the Procurement Officer at any time by written notice.

## **1.6 Contract Manager/Monitor**

The Contract Monitor is:

Anne Timmons  
Contract Manager/Monitor  
Department of Budget and Management  
301 W. Preston Street, Room 510  
Baltimore, MD 21201

Phone Number: (410) 767-4710  
Fax Number: (410) 333-7122  
E-mail: [Anne.Timmons@maryland.gov](mailto:Anne.Timmons@maryland.gov)

The Department may change the Contract Manager/Monitor at any time by written notice.

### 1.7 Pre-Proposal Conference

A Pre-Proposal Conference (the Conference) will be held on **August 28, 2013**, beginning at **10:00 AM** Local Time, at **Department of Budget and Management, 201 W. Preston Street, Conference Room L-3, Baltimore, MD 21201**. All prospective Offerors are encouraged to attend in order to facilitate better preparation of their Proposals.

The Conference will be summarized. As promptly as is feasible subsequent to the Conference, a summary of the Conference and all questions and answers known at that time will be distributed to all prospective Offerors known to have received a copy of this RFP. This summary, as well as the questions and answers, will also be posted on eMaryland Marketplace. See RFP Section 1.8, "eMaryland Marketplace."

In order to assure adequate seating and other accommodations at the Conference, please e-mail, mail, or fax to (410-974-3274) the Pre-Proposal Conference Response Form to the attention of the Procurement Officer no later than 4:00 p.m. Local Time on **August 26, 2013**. The Pre-Proposal Conference Response Form is included as **Attachment E** to this RFP. In addition, if there is a need for sign language interpretation and/or other special accommodations due to a disability, please notify the Procurement Officer no later than **August 21, 2013**. The Department will make a reasonable effort to provide such special accommodation.

### 1.8 eMarylandMarketplace

Each Offeror is requested to indicate its eMaryland Marketplace (eMM) vendor number in the Transmittal Letter (cover letter) submitted at the time of its Proposal submission to this RFP.

eMM is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM website ([www.dbm.maryland.gov](http://www.dbm.maryland.gov)) and possibly other means for transmitting the RFP and associated materials, the solicitation and summary of the Pre-Proposal Conference, Offeror questions and the Procurement Officer's responses, addenda, and other solicitation-related information will be provided via eMM.

In order to receive a contract award, a vendor must be registered on eMM. Registration is free. Go to <https://emaryland.buyspeed.com/bsol/login.jsp>, click on "Register" to begin the process, and then follow the prompts.

### 1.9 Questions

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the Conference. If possible and appropriate, such questions will be answered at the Conference. (No substantive question will be answered prior to the Conference.) Questions to the Procurement Officer shall be submitted via e-mail to the following e-mail address: [Andrea.Lockett@maryland.gov](mailto:Andrea.Lockett@maryland.gov). Please

identify in the subject line the Solicitation Number and Title. Questions, both oral and written, will also be accepted from prospective Offerors attending the Conference. If possible and appropriate, these questions will be answered at the Conference.

Questions will also be accepted subsequent to the Conference and should be submitted to the Procurement Officer (**see above email address**) in a timely manner prior to the Proposal due date. Questions are requested to be submitted at least five (5) days prior to the Proposal due date. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the Proposal due date. Time permitting, answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all vendors that are known to have received a copy of the RFP in sufficient time for the answer to be taken into consideration in the Proposal.

#### **1.10 Procurement Method**

This Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.

#### **1.11 Proposals Due (Closing) Date and Time**

Proposals, in the number and form set forth in RFP Section 4.2 "Proposals" must be received by the Procurement Officer at the address listed on the Key Information Summary Sheet, no later than **2:00 PM Local Time on September 26, 2013** in order to be considered.

Requests for extension of this time or date will not be granted. Offerors mailing Proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, Proposals received after the due date and time listed in this section will not be considered.

Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in this section for receipt of Proposals.

**Proposals may not be submitted by e-mail or facsimile.**

Vendors not responding to this solicitation are requested to submit the "Notice to Vendors" form, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements, etc.). This form is located in the RFP immediately following the Title Page (page ii).

#### **1.12 Multiple or Alternate Proposals**

Multiple and/or alternate Proposals will not be accepted. Submitting proposals for more than one functional area including the DHMO-FI, DPPO-FI and DPPO-SF is not considered multiple proposals. See RFP Section 1.1.

### **1.13 Economy of Preparation**

Proposals should be prepared simply and economically and provide a straightforward and concise description of the Offeror's Proposal to meet the requirements of this RFP.

### **1.14 Public Information Act Notice**

An Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., State Government Article, Title 10, Subtitle 6. (Also, see RFP Section 4.4.3.2 "Claim of Confidentiality."). ***This confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal and, if applicable, separately in the Financial Proposal.***

Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

### **1.15 Award Basis**

The Contract shall be awarded to the responsible Offeror(s) submitting the Proposal that has been determined to be the most advantageous to the State, considering price and evaluation factors set forth in this RFP (see COMAR 21.05.03.03F), for providing the goods and services as specified in this RFP. See RFP Section 5 for further information. The Department intends to award one (1) DHMO-Fully Insured contract and either (1) DPPO-Fully Insured or (1) DPPO-Self Funded contract as a result of this RFP. An award in each functional area is not guaranteed. There is also no guarantee of enrollment in any dental plan.

### **1.16 Oral Presentation**

Offerors may be required to make oral presentations to State representatives. Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations.

### **1.17 Duration of Proposal**

Proposals submitted in response to this RFP are irrevocable for 180 days following the closing date of the Proposals. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

### **1.18 Revisions to the RFP**

If it becomes necessary to revise this RFP before the due date for Proposals, the Department shall endeavor to provide addenda to all prospective Offerors that were sent this RFP or which are otherwise known by the Procurement Officer to have obtained this RFP. In addition, addenda to the RFP will be posted on the Department's procurement web page and through eMM. It remains the responsibility of

all prospective Offerors to check all applicable websites for any addenda issued prior to the submission of Proposals. Addenda made after the due date for Proposals will be sent only to those Offerors that submitted a timely Proposal and that remain under award consideration as of the issuance date of the addenda.

Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date shall be included in the Transmittal Letter accompanying the Offeror's Technical Proposal. Acknowledgement of the receipt of addenda to the RFP issued after the Proposal due date shall be in the manner specified in the addendum notice. Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the addendum.

### **1.19 Cancellations**

The State reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, to waive or permit the cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State. The State also reserves the right, in its sole discretion, to award a Contract based upon the written proposals received without discussions or negotiations.

### **1.20 Incurred Expenses**

The State will not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities related to this solicitation.

### **1.21 Protest/Disputes**

Any protest or dispute related to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

### **1.22 Offeror Responsibilities**

The selected Offeror shall be responsible for all products and services required by this RFP. All subcontractors must be identified and a complete description of their role relative to the Proposal must be included in the Offeror's Proposal. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate Attachment(s) of this RFP (see RFP Section 1.33 "Minority Business Enterprise Goals" and RFP Section 1.41 "Veteran-Owned Small Business Enterprise Goals").

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, minimum qualifications, and financial reports, **or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any**, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.



**A parental guarantee of the performance of the Offeror under this Section will not automatically result in crediting the Offeror with the experience and/or qualifications of the parent under any evaluation criteria pertaining to the Offeror's experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the State determines that the experience and qualification of the parent are transferred to and shared with the Offeror, the parent is directly involved in the performance of the Contract, and the value of the parent's participation as determined by the State.**

### **1.23 Substitution of Personnel**

#### **A. Continuous Performance of Key Personnel**

Unless substitution is approved per paragraphs B-D of this section, key personnel shall be the same personnel proposed in the Contractor's Technical Proposal, which will be incorporated into the Contract by reference. Such identified key personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key personnel may not be removed by the Contractor from working under this Contract, as described in the RFP or the Contractor's Technical Proposal, without the prior written approval of the Contract Monitor.

If the Contract is task order based, the provisions of this section apply to key personnel identified in each task order proposal and agreement.

#### **B. Definitions**

For the purposes of this section, the following definitions apply:

**Extraordinary Personal Circumstance** – means any circumstance in an individual's personal life that reasonably requires immediate and continuous attention for more than fifteen (15) days and that precludes the individual from performing his/her job duties under this Contract. Examples of such circumstances may include, but are not limited to: a sudden leave of absence to care for a family member who is injured, sick, or incapacitated; the death of a family member, including the need to attend to the estate or other affairs of the deceased or his/her dependents; substantial damage to, or destruction of, the individual's home that causes a major disruption in the individual's normal living circumstances; criminal or civil proceedings against the individual or a family member; jury duty; and military service activation.

**Incapacitating** – means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual's position in the RFP or the Contractor's Technical Proposal.

**Sudden** – means when the Contractor has less than thirty (30) days' prior notice of a circumstance beyond its control that will require the replacement of any key personnel working under the Contract.

#### **C. Key Personnel General Substitution Provisions**

The following provisions apply to all of the circumstances of staff substitution described in paragraph D of this section.

1. The Contractor shall demonstrate to the Contract Monitor's satisfaction that the proposed substitute key personnel have qualifications at least equal to those of the key personnel for whom the replacement is requested.
2. The Contractor shall provide the Contract Monitor with a substitution request that shall include:
  - A detailed explanation of the reason(s) for the substitution request;
  - The resume of the proposed substitute personnel, signed by the substituting individual and his/her formal supervisor;
  - The official resume of the current personnel for comparison purposes; and
  - Evidence of any required credentials.
3. The Contract Monitor may request additional information concerning the proposed substitution. In addition, the Contract Monitor and/or other appropriate State personnel involved with the Contract may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.
4. The Contract Monitor will notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a requested key personnel replacement.

#### D. Replacement Circumstances

##### 1. Voluntary Key Personnel Replacement

To voluntarily replace any key personnel, the Contractor shall submit a substitution request as described in paragraph C of this section to the Contract Monitor at least fifteen (15) days prior to the intended date of change. Except in a circumstance described in paragraph D.2 of this clause, a substitution may not occur unless and until the Contract Monitor approves the substitution in writing.

##### 2. Key Personnel Replacement Due to Vacancy

The Contractor shall replace key personnel whenever a vacancy occurs due to the sudden termination, resignation, leave of absence due to an Extraordinary Personal Circumstance, Incapacitating injury, illness or physical condition, or death of such personnel. (A termination or resignation with thirty (30) days or more advance notice shall be treated as a Voluntary Key Personnel Replacement as per Section D.1 of this section.)

Under any of the circumstances set forth in this paragraph D.2, the Contractor shall identify a suitable replacement and provide the same information or items required under paragraph C of this section within fifteen (15) days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.

##### 3. Key Personnel Replacement Due to an Indeterminate Absence

If any key personnel has been absent from his/her job for a period of ten (10) days due to injury, illness, or other physical condition, leave of absence under a family medical leave, or an Extraordinary Personal Circumstance and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) days to fully resume all job duties, before the 25th day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information or items to the Contract Monitor as required under paragraph C of this section.

However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor, at the option and sole discretion of the Contract Monitor, the original personnel may continue to work under the Contract, or the replacement personnel will be authorized to replace the original personnel, notwithstanding the original personnel's ability to return.

#### 4. Directed Personnel Replacement

- a. The Contract Monitor may direct the Contractor to replace any personnel who are perceived as being unqualified, non-productive, unable to fully perform the job duties due to full or partial Incapacity or Extraordinary Personal Circumstance, disruptive, or known, or reasonably believed, to have committed a major infraction(s) of law, agency, or Contract requirements. Normally, a directed personnel replacement will occur only after prior notification of problems with requested remediation, as described in paragraph 4.b. If after such remediation the Contract Monitor determines that the personnel performance has not improved to the level necessary to continue under the Contract, if at all possible at least fifteen (15) days notification of a directed replacement will be provided. However, if the Contract Monitor deems it necessary and in the State's best interests to remove the personnel with less than fifteen (15) days' notice, the Contract Monitor can direct the removal in a timeframe of less than fifteen (15) days, including immediate removal.

In circumstances of directed removal, the Contractor shall, in accordance with paragraph C of this section, provide a suitable replacement for approval within fifteen (15) days of the notification of the need for removal, or the actual removal, whichever occurs first.

- b. If deemed appropriate in the discretion of the Contract Monitor, the Contract Monitor shall give written notice of any personnel performance issues to the Contractor, describing the problem and delineating the remediation requirement(s). The Contractor shall provide a written Remediation Plan within ten (10) days of the date of the notice and shall implement the Remediation Plan immediately upon written acceptance by the Contract Monitor. If the Contract Monitor rejects the Remediation Plan, the Contractor shall revise and resubmit the plan to the Contract Monitor within five (5) days, or in the timeframe set forth by the Contract Monitor in writing.

Should performance issues persist despite the approved Remediation Plan, the Contract Monitor will give written notice of the continuing performance issues and either request a new Remediation Plan within a specified time limit or direct the substitution of personnel whose performance is at issue with a qualified substitute, including requiring the immediate removal of the key personnel at issue.

Replacement or substitution of personnel under this section shall be in addition to, and not in lieu of, the State's remedies under the Contract or which otherwise may be available at law or in equity.

#### **1.24 Mandatory Contractual Terms**

By submitting a Proposal in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached herein as **Attachment A**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the Technical Proposal; **exceptions to the required format, terms and conditions of the Financial Proposal must also be clearly identified in the Executive Summary, without disclosing any pricing information. A Proposal that takes exception to these terms may be rejected (see RFP Section 4.4.3.4).**

#### **1.25 Bid/Proposal Affidavit**

A Proposal submitted by an Offeror must be accompanied by a **separate completed Bid/Proposal Affidavit, one for each Functional Area being proposed**. A copy of this Affidavit is included as **Attachment B** of this RFP.

#### **1.26 Contract Affidavit**

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included as **Attachment C** of this RFP. This Affidavit must be provided within five (5) Business Days of notification of proposed Contract award. This Contract Affidavit will also be required to be completed by the Contractor prior to any Contract renewals, including the exercise of any options or any modifications that may extend the Contract term.

For purposes of Section B of the Affidavit (Certification of Registration or Qualification with the State Department of Assessments and Taxation), please note that any company incorporated outside of Maryland is considered a "foreign" company.

#### **1.27 Compliance with Laws/Arrearages**

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, agrees that it will comply with all Federal, State, and local laws applicable to its activities and obligations under the Contract.

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and that it shall not become so during the term of the Contract if selected for Contract award.

#### **1.28 Verification of Registration and Tax Payment**

Before a business entity can do business in the State it must be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. The SDAT website is <http://www.dat.state.md.us/sdatweb/datanote.html>.

It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of Proposals. An Offeror's failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

### **1.29 False Statements**

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides as follows:

1.29.1 In connection with a procurement contract a person may not willfully:

- (a) Falsify, conceal, or suppress a material fact by any scheme or device;
- (b) Make a false or fraudulent statement or representation of a material fact; or
- (c) Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

1.29.2 A person may not aid or conspire with another person to commit an act under subsection (1) of this section.

1.29.3 A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five years or both.

### **1.30 Payments by Electronic Funds Transfer**

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller's Office grants an exemption. Payment by EFT is mandatory for contracts exceeding \$100,000. The selected Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller's website at: [http://comptroller.marylandtaxes.com/Government\\_Services/State\\_Accounting\\_Information/Static\\_Files/APM/gadx-10.pdf](http://comptroller.marylandtaxes.com/Government_Services/State_Accounting_Information/Static_Files/APM/gadx-10.pdf).

### **1.31 Prompt Payment Policy**

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Minority Affairs (GOMA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor must comply with the prompt payment requirements outlined in the Contract, Section 31 "Prompt Payment" (see **Attachment A**). Additional information is available on GOMA's website at: [http://www.mdminoritybusiness.com/documents/PROMPTPAYMENTFAQs\\_000.pdf](http://www.mdminoritybusiness.com/documents/PROMPTPAYMENTFAQs_000.pdf).

### **1.32 Electronic Procurements Authorized**

- A. Under COMAR 21.03.05, unless otherwise prohibited by law, the Department may conduct procurement transactions by electronic means, including the solicitation, bidding, award, execution, and administration of a contract, as provided in Md. Code Ann., Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21.
- B. Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Bidder/Offeror to conduct by electronic means all elements of the procurement of that Contract which are specifically authorized under the solicitation or the Contract.
- C. "Electronic means" refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes facsimile, e-mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., <https://emaryland.buyspeed.com/bsol/>), and electronic data interchange.
- D. In addition to electronic transactions specifically authorized in other sections of this solicitation (e.g., RFP Section 1.30 "Payments by Electronic Funds Transfer") and subject to the exclusions noted in Section E of this subsection, the following transactions are authorized to be conducted by electronic means on the terms described:
  - 1. The Procurement Officer may conduct the procurement using eMM, e-mail, or facsimile to issue:
    - (a) the solicitation (e.g., the IFB/RFP);
    - (b) any amendments;
    - (c) pre-Bid/Proposal conference documents;
    - (d) questions and responses;
    - (e) communications regarding the solicitation or Bid/Proposal to any Bidder/Offeror or potential Bidder/Offeror;
    - (f) notices of award selection or non-selection; and
    - (g) the Procurement Officer's decision on any Bid protest or Contract claim.
  - 2. A Bidder/Offeror or potential Bidder/Offeror may use e-mail or facsimile to:
    - (a) ask questions regarding the solicitation;
    - (b) reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer's request or direction to reply by e-mail or facsimile, but only on the terms specifically approved and directed by the Procurement Officer;
    - (c) submit a "No Bid/Proposal Response" to the solicitation.
  - 3. The Procurement Officer, the Contract Monitor, and the Contractor may conduct day-to-day Contract administration, except as outlined in Section E of this subsection utilizing e-mail, facsimile, or other electronic means if authorized by the Procurement Officer or Contract Monitor.
- E. The following transactions related to this procurement and any Contract awarded pursuant to it are not authorized to be conducted by electronic means:

1. submission of initial Bids or Proposals;
2. filing of Bid Protests;
3. filing of Contract Claims;
4. submission of documents determined by the Department to require original signatures (e.g., Contract execution, Contract modifications, etc.); or
5. any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor or Bidder/Offeror be provided in writing or hard copy.

F. Any facsimile or e-mail transmission is only authorized to the facsimile numbers or e-mail addresses for the identified person as provided in the solicitation, the Contract, or in the direction from the Procurement Officer or Contract Monitor.

**1.33 Minority Business Enterprise Goals**

1.33.1 MBE Participation Goal.

A minimum overall MBE subcontractor participation goal for each Functional Area are as follows:

Functional Area	Goal
FA1 (DHMO-FI)	<u>0.5 percent (0.5%)</u> of the total premiums paid to the Contractor(s)
FA2 (DPPO-FI)	<u>0.5 percent (0.5%)</u> of the total premiums paid to the Contractor(s)
FA3 (DPPO-SF)	<u>5 percent (5%)</u> of the total administrative fees paid to the Contractor(s)

There are no MBE subcontractor participation subgoals for this procurement.

1.33.2 MBE Commitments and Responses to this RFP.

**Attachment D** – Minority Business Enterprise participation, instructions, and forms are provided to assist Offerors. An Offeror must include with its Proposal a **separately completed** “MDOT Certified MBE Utilization and Fair Solicitation Affidavit” (**Attachment D-1**), **one for each Functional Area being proposed**, whereby:

- (a) The Offeror acknowledges the certified MBE participation goal and commits to make a good faith effort to achieve the goal and any applicable subgoals, or requests a waiver, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
- (b) The Offeror responds to the expected degree of MBE participation, as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of Proposal submission. The Offeror shall specify the percentage of contract value associated with each MBE subcontractor identified on the MBE participation schedule.

***If an Offeror fails to submit a completed Attachment D-1 for each Functional Area being proposed with the Bid/Proposal as required, the Procurement Officer shall determine that the Bid is non-responsive or the Proposal is not reasonably susceptible of being selected for award.***

1.33.3 Offerors are responsible for verifying that each MBE selected to meet the goal and any subgoals and subsequently identified in **Attachment D-1** is appropriately certified and has the correct NAICS codes allowing it to perform the intended work.

1.33.3.1 Payments Attributable to the Goal. Contractors shall only include and report payments to MBE subcontractors which are attributable to the State's Contract.

1.33.3.2 The Offeror **may not** subcontract the responsibilities of the Account Manager. (See §1.2(a)).

1.33.4 Attachment D-1 Submission.

1.33.4.1 When preparing **Attachment D-1**, the Offeror must consider and include **only those MBE payments that are attributable to the State's contract.**

1.33.4.2 The **Attachment D-1** is to be completed using only the amount of the MBE participation that is attributable to the State's Contract. D-1 shall indicate the percentage (%) of the Contract to be subcontracted to each MBE firm.

1.33.4.3 Failure of the Offeror to complete, sign, and submit Attachment D-1 for each Functional Area being proposed at the time it submits its Response(s) to the RFP will result in the State's rejection of the Offeror's Proposal to the RFP. ***This failure is not curable.***

1.33.4.4 Within ten (10) Working Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, the Offeror must provide the following documentation to the Procurement Officer.

- (a) Outreach Efforts Compliance Statement (**Attachment D-2**).
- (b) Subcontractor Project Participation Certification (**Attachment D-3**).
- (c) If the recommended awardee has requested a waiver (in whole or in part) of the overall MBE goal, it shall submit the Minority Contractor Unavailability Certificate (**Attachment D-6**) and a fully documented waiver request that complies with COMAR 21.11.03.11.
- (d) Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE subcontractor participation goal or any applicable subgoals.

***If the recommended awardee fails to return each completed document within the required time, the Procurement Officer may determine that the recommended awardee is not responsible and, therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.***

1.33.5 A current directory of certified MBEs is available through the Maryland State Department of Transportation (MDOT), Office of Minority Business Enterprise, 7201 Corporate Center Drive, Hanover, Maryland 21076. The phone numbers are (410) 865-1269, 1-800-544-6056, or TTY



(410) 865-1342. The directory is also available on the MDOT website at <http://www.mdot.state.md.us>. The most current and up-to-date information on MBEs is available via this website. **Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.**

1.33.6 The Contractor, once awarded a Contract, will be responsible for submitting or requiring its subcontractor(s) to submit the following forms to provide the State with ongoing monitoring of MBE Participation:

- (a) **Attachment D-4** (MBE Participation Prime Contract Paid/Unpaid MBE Invoice Report).
- (b) **Attachment D-5** (MBE Participation Subcontractor/Contractor Unpaid MBE Invoice Report).

1.33.7 An Offeror requesting a waiver of the goal or any of the applicable subgoals will be responsible for submitting the following form within ten (10) Working Days of recommendation for award and all documentation as required in **COMAR 21.11.03.11 - Waiver**:

- (a) **Attachment D-6** (MBE Minority Contractor Unavailability Certificate).

1.33.8 All documents, including **Attachment D**, completed and submitted by the Offeror in connection with its certified MBE participation commitment shall be considered to be a part of the resulting Contract and are hereby expressly incorporated into reference thereto. All of the referenced documents will be considered a part of the Proposal for order of precedence purposes (see **Attachment A**, § 2.1).

1.33.9 The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the provisions of the MBE program and pertinent Contract provisions. (See **Attachment A**, §39).

1.33.10 Contractual Compliance.

1.33.10.1 The Contractor shall fulfill the commitments made in **Attachment D-1**. These MBE commitments reported in the Technical Proposal and **Attachment D-1** (as to items of work, service, or supply and the amount to be paid) are contractual obligations that must be met by the Contractor during the term of the Contract. The Contractor shall structure its award(s) of subcontract(s) under the Contract(s) in a good faith effort to achieve the goal in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D**, "Minority Business Enterprise Participation." Subcontractors used to meet the MBE goal of this RFP must be identified in the Offeror's proposal.

1.33.10.2 In completing the **Attachments D-4 and D-5** each month, the Contractor and all MBE Subcontractors shall report both the full amount of MBE participation and the attributable amounts of MBE participation for each MBE to the State Contract. If any Offeror is awarded a contract in more than one functional area, the requirements in connection with the MBE subcontracting goal and **Attachment D** submissions are determined on a per-contract basis. If an MBE performs services for more than one functional area (DHMO-FI, DPPO-FI and

DPPO-SF), the Contractor must report the portion of the work for each contract and may not duplicate reporting of payments to the MBE.

1.33.10.3.1 MBE participation to meet the goal must be related and attributable to the Contract(s) awarded pursuant to this solicitation.

1.33.11 Anticipated Sub-contracting Opportunities.

Offerors should review Section 3 of this RFP and the Financial Proposal forms listed below to see the services that the State anticipates to be provided as part of the Contract(s) for each functional area:

DHMO-FI: **FA1 Attachment F**  
DPPO-FI: **FA2 Attachment F**  
DPPO-SF: **FA3 Attachment F**

Offerors are encouraged to seek MBE participation in those areas, but are not limited to using MBEs in those areas.

1.33.12 Questions and More Information.

Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

#### **1.34 Living Wage Requirements**

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Md. Code Ann., State Finance and Procurement Article, Title 18. Additional information regarding the State's living wage requirement is contained in **Attachment G**. Bidders/Offerors must complete and submit the Maryland Living Wage Requirements Affidavit (**Attachment G-1**) with their Proposal. If a Offeror fails to complete and submit the required documentation, the State may determine a Offeror to be not responsible under State law.

Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier area. The specific living wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State Contract pursuant to §18-102(d) of the State Finance and Procurement Article shall assign the tier based upon where the recipients of the services are located.

The Contract resulting from this solicitation will be determined to be a Tier 1 Contract or a Tier 2 Contract depending on the location(s) from which the Contractor provides 50% or more of the services. The Offeror must identify in its Bid/Proposal the location(s) from which services will be provided, including the location(s) from which 50% or more of the Contract services will be provided.

- If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract.
- If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract.
- If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. In this circumstance, this Contract will be determined to be a **Tier 1** Contract.

Information pertaining to reporting obligations may be found by going to the Maryland Department of Labor, Licensing and Regulation (DLLR) website

<http://www.dllr.state.md.us/labor/prev/livingwage.shtml>.

**NOTE: Whereas the Living Wage may change annually, the Contract price may not be changed because of a Living Wage change.**

### **1.35 Federal Funding Acknowledgement**

This Contract does not contain Federal funds.

### **1.36 Conflict of Interest Affidavit and Disclosure**

A Conflict of Interest Affidavit is not required for this procurement.

### **1.37 Non-Disclosure Agreement**

In order to obtain access to certain data that is necessary to complete a proposal in response to this RFP, each Potential Offeror must complete a Non-Disclosure Agreement. The Non-Disclosure Agreement must be in the form provided as **Attachment J** to this RFP. In order to obtain the data, a Potential Offeror must first print, sign and return to the Procurement Officer the Non-Disclosure Agreement found at **Attachment J, "Non-Disclosure Agreement,"** with a request for the data. A scanned copy with live signature service and transmitted by e-mail is acceptable.

The information that will be provided to the Potential Offeror after submission of the Non-Disclosure Agreement includes data to be used in the preparation of technical and financial proposals. These data include the following:

- 1.) Demographic data showing the date of birth, gender, city, state, zip and county for approximately 246,000 active employees, currently-covered retirees, and their covered dependents, to be used in completing the Geo-Access Report(s)<sup>®</sup> GeoNetworks<sup>®</sup> required in **FA1 Attachment T, FA2 Attachment T** and **FA3 Attachment T**.
- 2.) Utilization and enrollment by plan for preparation of the financial proposal.
- 3.) Most utilized providers for completion of the disruption reports.

This additional information will be provided to each Offeror through secure file transfer upon receipt of the signed Non-Disclosure Agreement. The Offeror may bring the signed Non-Disclosure Agreement to the Pre-Proposal Conference. **No data will be provided to Offerors prior to the Pre-Proposal Conference. The data will not be e-mailed to Offerors.**

### 1.38 HIPAA - Business Associate Agreement

A HIPAA Business Associate Agreement is required for this procurement and is included in the Compliance Checklist as part of Attachment T-6 for each Functional Area.

### 1.39 Nonvisual Access

This solicitation does not contain Information Technology (IT) provisions requiring Nonvisual Access.

### 1.40 Mercury and Products That Contain Mercury

This solicitation does not include the procurement of products known to likely include mercury as a component.

### 1.41 Veteran-Owned Small Business Enterprise Goals

#### 1.41.1 NOTICE TO BIDDERS/OFFERORS

Questions or concerns regarding the Veteran-Owned Small Business Enterprise (VSBE) subcontractor participation goal of this solicitation must be raised before the due date for submission of Bids/Proposals.

#### 1.41.2 PURPOSE

The Contractor shall structure its procedures for the performance of the work required in this Contract to attempt to achieve the VSBE subcontractor participation goal stated in this solicitation. VSBE performance must be in accordance with this section and **Attachment M**, as authorized by COMAR 21.11.13. The Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this section and **Attachment M**.

Veteran-Owned Small Business Enterprises, or VSBEs, must be verified by the Center for Veterans Enterprise of the United States Department of Veterans Affairs. The listing of verified VSBEs may be found at <http://www.vetbiz.gov>.

#### 1.41.3 VSBE GOALS

A VSBE subcontract participation goal of **0.05 percent (%) of the total premiums paid to the Contractor(s)** pursuant to the Contract has been established for **Functional Area 1: DHMO-FI and Functional Area 2: DPPO-FI**.

A VSBE subcontract participation goal of **0.5 percent (%) of the total administrative fees paid to the Contractor(s)** pursuant to the Contract has been established for **Functional Area 3: DPPO-SF**.

By submitting a response to this solicitation, the Bidder or Offeror agrees this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.

#### 1.41.4 Solicitation and Contract Formation

A Bidder/Offeror must include with its Bid/Proposal a **separate completed** Veteran-Owned Small Business Enterprise Utilization Affidavit and Subcontractor Participation Schedule (**Attachment M-1**), **one for each Functional Area being proposed**, whereby:

- 1.) the Bidder/Offeror acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Bidder/Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal.
- 2.) the Bidder/Offeror responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Bid/Proposal submission. The Bidder/Offeror shall specify the percentage of contract value associated with each VSBE subcontractor identified on the VSBE Participation Schedule.

***If a Bidder/Offeror fails to submit Attachment M-1 with the Bid/Proposal as required, the Procurement Officer may determine that the Bid is non-responsive or that the Proposal is not reasonably susceptible of being selected for award.***

Within 10 Working Days from notification that it is the apparent awardee, awardee must provide the following documentation to the Procurement Officer.

- 1.) VSBE Subcontractor Project Participation Statement (Attachment M-2);
- 2.) If the apparent awardee believes a full or partial waiver of the overall VSBE goal is necessary, it must submit a fully-documented waiver request that complies with COMAR 21.11.13.07; and
- 3.) Any other documentation required by the Procurement Officer to ascertain Bidder/Offeror responsibility in connection with the VSBE subcontractor participation goal.

***If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for contract award.***

#### 1.41.5 Contract Administration Requirements

The Contractor, once awarded the Contract shall:

Submit monthly to the Department a report listing any unpaid invoices, over 45 days old, received from any VSBE subcontractor, the amount of each invoice, and the reason payment has not been made. (**Attachment M-3**)

Include in its agreements with its VSBE subcontractors a requirement that those subcontractors submit monthly to the Department a report that identifies the prime contract and lists all

payments received from Contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices. **(Attachment M-4)**

Maintain such records as are necessary to confirm compliance with its VSBE participation obligations. These records must indicate the identity of VSBE and non-VSBE subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. The subcontract agreement documenting the work performed by all VSBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.

Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the VSBE participation obligations. Contractor must retain all records concerning VSBE participation and make them available for State inspection for three years after final completion of the Contract.

At the option of the procurement agency, upon completion of the Contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from VSBE subcontractors.

#### **1.42 Conflict Minerals Notice**

Offerors are advised that Md. Ann. Code, State Finance and Procurement Article, § 14-413 provides as follows:

- (a) (1) In this section the following words have the meanings indicated.
- (2) (i) "Conflict mineral" means a mineral or mineral derivative determined under federal law to be financing human conflict.
- (ii) "Conflict mineral" includes columbite-tantalite (coltan), cassiterite, gold, wolframite, or derivatives of these minerals.
- (3) "Noncompliant person" means a person:
  - (i) that is required to disclose under federal law information relating to conflict minerals that originated in the Democratic Republic of the Congo or its neighboring countries; and
  - (ii) for which the disclosure is not filed, is considered under federal law to be an unreliable determination, or contains false information.

- (b) A unit may not knowingly procure supplies or services from a noncompliant person.

By submitting a response to this solicitation, the Bidder/Offeror represents that it is in compliance with the disclosure requirements related to conflict minerals, as set forth in § 14-413 of the State Finance and Procurement Article.

#### **1.43 Investment Activities in Iran**

The Offeror's Certification regarding its firm's Investment Activities in Iran is included in the Bid/Proposal Affidavit. A separate Certification is not required.

#### **1.44 Location of the Performance of Services Disclosure**

The Offeror is required to complete the Location of the Performance of Services Disclosure. A copy of this Disclosure is included as **Attachment O**. The **separate** Disclosure must be provided with the Proposal, **one for each Functional Area being proposed**.

#### **1.45 Department of Human Resources (DHR) Hiring Agreement**

This solicitation does not require a DHR Hiring Agreement.

#### **1.46 Performance Guarantees and Liquidated Damages**

It is critical to the success of the State's benefits plans that services be maintained in a timely manner and that the Contractor operates in an extremely reliable manner. It would be impracticable and extremely difficult to fix the actual damage sustained by the State in the event of delays or failures in claims administration, service, reporting, and attendance of Contractor personnel on scheduled work and provision of services to the State employees, retirees and dependents served by this Contract. The State and the Contractor, therefore, presume that in the event of certain such delays or failures, the amount of damage which will be sustained from a failure to perform to certain standards will be the amounts set forth in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, as applicable; and the Contractor agrees that in the event of any such failure of performance, the Contractor shall pay such amount as liquidated damages and not as a penalty. The State, at its option for amount due the State as liquidated damages, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item. See Performance Guarantees in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, respectively, for Functional Areas 1, 2 and 3.

#### **1.47 Electronic File Transfers**

All electronic file transfers between the Department of Budget and Management and the Contractor shall be exchanged using a point to point Virtual Private Network (VPN) connection approved by the State of Maryland, Department of Budget and Management.

#### **1.48 NAIC 120-1 Model COB Contract Provisions**

By submitting a response to this solicitation, each Offeror represents that it shall comply with the NAIC Model Coordination of Benefits Contract Provisions, included as **ATTACHMENT Q**.

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## SECTION 2 – MINIMUM QUALIFICATIONS

### 2.1 Offeror Minimum Qualifications

There are no Offeror Minimum Qualifications for this procurement.

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## SECTION 3 – SCOPE OF WORK

### 3.1 Description of Current Program / Background and Purpose

#### 3.1.1 Description of Current Program

The State of Maryland currently offers its Members one stand-alone Dental Health Maintenance Organization (DHMO) plan and one Dental Preferred Provider Organization (DPPO) plan as follows:

Vendor	Plan Types
United Concordia	DPPO, DHMO

There are approximately 119,000 Members eligible for the State's dental plans. There are approximately 100,700 currently enrolled in the dental plans as follows:

Vendor	Approximate Enrollment
United Concordia-DPPO	72,060
United Concordia-DHMO	28,640

Participants receive subsidized dental benefit coverage. The State currently provides a subsidy at 50% of premium rates.

Summaries of current plan coverage for both active employees and retirees are provided at the DBM web site: <http://dbm.maryland.gov/benefits/Pages/DentalPlans2012.aspx>.

#### 3.1.2 Background and Purpose

The State provides an expansive range of employee benefit plans to approximately 72,000 active employees, 42,000 retirees, 3,100 Satellite Account Employees, 1,900 Direct Pay Enrollees, and their covered dependents.

Benefit plans include health (including behavioral health), dental, group term life, accidental death and dismemberment, flexible spending accounts, prescription drugs, and long term care.

These benefits are offered to a diverse workforce that includes clerical, administrative, technical, professional, maintenance, educational (State colleges and universities), public safety and appointed and elected officials at more than 300 different worksites.

Due to the large number of State employees, diverse population and numerous employee work locations, the State sponsors annual Benefit Fairs during each annual open enrollment period. The State expects to conduct 150 or more Benefit Fairs throughout the State each year to answer employee questions and provide plan overview information.

The State is seeking proposals from qualified organizations to provide a fully insured Dental

HMO and a fully insured **or** self-funded Dental PPO for eligible Participants of the State’s plan effective on January 1, 2015.

The Contractor(s) shall meet all existing State-mandated plan benefit provisions that may be required during the term of the Contract(s).

**3.1.2.1 Enrollment and Coverage Effective Dates**

Each Plan Year begins on January 1 and runs to the succeeding December 31. An annual open enrollment period is held each year, with elections for all plans - excluding flexible spending accounts - rolling over to the next plan year if a member does not change coverage elections.

Plan enrollment is conducted in accordance with cafeteria plan (IRC Section 125) regulations. New employees must elect or waive coverage within the first 60 days of hire. Mid-year coverage election changes may be made within 60 days of change in circumstances.

There are no pre-existing conditions exclusions and no proof of insurability is required for medical and dental plans.

**3.2 Project Implementation Milestones and Due Dates**

Following are the high level milestones and the State’s desired due dates, where applicable:

<b>DATE (approximate)</b>	<b>ACTIVITY</b>
Within 10 business days of the approval of contract award by Board of Public Works	Kick off meeting with State of Maryland
Within 30 calendar days of the approval of contract award by Board of Public Works	Begin implementation meetings with the State of Maryland.
June 1, 2014	Provide Plan Benefits documents to State for review & approval.
	Develop marketing plan for open enrollment and health fairs.
	Establish necessary account with the Comptroller’s Office to enable electronic funds transfer.
July 1, 2014	Provide Open Enrollment marketing materials for open enrollment training and health fairs to State for review and approval.
	Provide necessary forms to State for review and approval.
	Begin electronic testing to ensure accurate and secure transmission of enrollment data.
August 2014	Attend Benefits Coordinator Open Enrollment Training Sessions
September 2014	Attend Open Enrollment Health Fairs
Beginning December 1, 2014	Receive, load and audit positive files for open enrollment for coverage beginning January 1, 2015.
Mid-December 2014	Issue identification cards to be received by to January 1, 2015 effective date.
January 1, 2015	Commence benefit coverage and administration of plan/benefits.

### 3.3 General Requirements for All Functional Areas

A. The Contractor must meet the following requirements, by functional area:

Requirement	FA1 Fully Insured	FA2 Fully Insured	FA3 Self Funded
Have a current Certificate of Authority from MIA or provide evidence of acknowledgement of receipt of application for Certificate of Authority by the Go-Live Date (January 1, 2015).	✓	✓	✓
File an approved Plan Design with MIA by the Go-Live Date (January 1, 2015), as required.	✓	✓	

B. The Contractor must submit a final Plan Design to the Contract Monitor for approval at least forty-five (45) days prior to the Go-Live Date (January 1, 2015). The Contract Monitor shall have up to ten (10) days to review the submission and provide comments. Submission revisions incorporating the Contract Monitor’s comments are due to the Contract Monitor within five (5) days of receipt of the comments.

C. Eligibility for coverage under the group health plans administered by the Contractor(s) shall be determined pursuant to the terms of this RFP. See RFP section 1.2, Abbreviations and Definitions, for definitions of eligible Members and Dependents.

D. The Contractor shall provide a group dental benefits plan that offers affordable coverage for all basic, preventative, restorative, and other necessary dental care for Members and Dependents.

E. The following are general requirements applying to each functional area; each is outlined further in the attachments to this RFP. Each requirement should be addressed fully in the Offeror’s Response.

#### 3.3.1 Staffing

The Contractor shall provide adequate staffing for effective management and performance of its obligations in at least the following areas: account management, claims processing, claims appeals, customer/member services, reporting, and data management and production.

The Contractor shall assign a dedicated (but not necessarily exclusive) Account Manager as the primary contact for the State of Maryland's Employee Benefits staff who will participate on the implementation team. If requested by the State, the Account Manager will be replaced with one that the State is allowed to interview. The State of Maryland reserves the right to accept or decline the Contractor's designated Account Manager for any reason at any time. See Section 1.23 for requirements regarding Substitution of Personnel.

### 3.3.2 Performance Guarantees

The Contractor shall comply with the performance guarantees set forth in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, as applicable. Any additional performance guarantees being offered should be included in the Executive Summary.

### 3.3.3 Data and Reporting

- A. The Contractor shall provide reports and submit data to the State and to other entities on behalf of the State. To the extent that reports are requested, during the contract term, that are materially different from the reporting requirements detailed in the RFP, please see RFP Section 3.2, Project Implementation Milestones and Due Dates, of the Contract [**Attachment A**].
- B. The Contractor should provide to the State the reports as outlined under the reporting section in the Compliance Checklist in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, respectively, for Functional Areas 1, 2 and 3.
- C. The Contractor shall provide, at a minimum, its standard reports in its Technical Proposal to the Department for all periods covered by this Contract. This obligation shall survive termination of the Contract.
- D. The Contractor shall provide on a monthly basis a full file of all claim activity to the State's data warehouse vendor. This file shall include Social Security Numbers and be transmitted electronically to a designated VPN connection. This process shall be established through the State of Maryland's consultant. (Functional Area 3 – DPPO Self-Funded)

### 3.3.4 Claims Processing and Payment

The Contractor shall process and pay claims as applicable in an accurate and timely manner pursuant to the Plan Design provided in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, respectively, for Functional Areas 1, 2 and 3. The Contractor shall provide at a minimum claims processing services as outlined under the Claims Processing section in the Compliance Checklist in **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**, respectively, for Functional Areas 1, 2 and 3.

### 3.3.5 Fraud Detection and Prevention

The Contractor shall administer a fraud prevention and detection program and cooperate with the State's efforts to eliminate and prosecute health care fraud.

### 3.3.6 Customer Satisfaction

Dental Services must be delivered to ensure the highest level of customer service for State plan members. The Contractor should maintain a 90% member satisfaction rate as measured through a random sample of members and assessed by the State's annual Customer Satisfaction Survey.

### 3.3.7 Network Development and Maintenance

The Contractor shall meet the dental care needs of The State of Maryland and its employees through the development and maintenance of adequate provider networks. The Contractor agrees to develop and adhere to a detailed network development and maintenance plan based on the State's needs and agreed to by the Contract Manager.

## 3.4 Description of Scope of Work Requirements

- A. Significant detailed provisions regarding the minimum expectations of the services to be provided by the Contractor are provided in the Word-based portions of the corresponding Technical Proposal **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T**) and the Excel-based portion (**Attachment U**). All required explanations and attachments must be included in the Offeror's proposal.
- B. This RFP includes files containing response pages and supporting data to complete a proposal to the technical requirements of this RFP. **FA1 Attachment T**, **FA2 Attachment T** and **FA3 Attachment T** for Functional Areas 1, 2 and 3, are in Microsoft Word (.docx) format and **Attachment T, Part II** and **Attachment U**, which will be provided after receipt of a signed non-disclosure agreement, will be in Microsoft Excel (.xlsx) format. The files are summarized as follows:

#### **FA1 ATTACHMENT T: DHMO-FI TECHNICAL PROPOSAL (Part I)**

[Filename: FA1 Attachment T\_DHMO-FI Technical Proposal.docx]

- FA1 Attachment T-1: Proposal Request
- FA1 Attachment T-2: Explanations and Deviations
- FA1 Attachment T-3: DHMO-FI Plan Design
- FA1 Attachment T-4: DHMO-FI Provider Access
- FA1 Attachment T-5: DHMO-FI Dental Providers
- FA1 Attachment T-6: Compliance Checklist
- FA1 Attachment T-7: Questionnaire
- FA1 Attachment T-8(a-f): Subcontractors Questionnaire
- FA1 Attachment T-9: Performance Guarantees

#### **FA1 ATTACHMENT T: DHMO-FI TECHNICAL PROPOSAL (Part II)**

- FA1 Attachment T-10: Disruption Analysis

#### **FA2 ATTACHMENT T: DPPO-FI TECHNICAL PROPOSAL (Part I)**

[Filename: FA2 Attachment T\_DPPO-FI Technical Proposal.docx]

- FA2 Attachment T-1: Proposal Request
- FA2 Attachment T-2: Explanations and Deviations
- FA2 Attachment T-3: DPPO-FI Plan Design
- FA2 Attachment T-4: DPPO-FI Provider Access
- FA2 Attachment T-5: DPPO-FI Dental Providers
- FA2 Attachment T-6: Compliance Checklist
- FA2 Attachment T-7: Questionnaire
- FA2 Attachment T-8(a-f): Subcontractors Questionnaire
- FA2 Attachment T-9: Performance Guarantees

**FA2 ATTACHMENT T: DPPO-FI TECHNICAL PROPOSAL (Part II)**

FA2 Attachment T-10: Disruption Analysis

**FA3 ATTACHMENT T: DPPO-SF TECHNICAL PROPOSAL (Part I)**

[Filename: FA3 Attachment T\_DPPO-SF Technical Proposal.docx]

- FA3 Attachment T-1: Proposal Request
- FA3 Attachment T-2: Explanations and Deviations
- FA3 Attachment T-3: DPPO-SF Plan Design
- FA3 Attachment T-4: DPPO-SF Provider Access
- FA3 Attachment T-5: DPPO-SF Dental Providers
- FA3 Attachment T-6: Compliance Checklist
- FA3 Attachment T-7: Questionnaire
- FA3 Attachment T-8(a-f): Subcontractors Questionnaire
- FA3 Attachment T-9: Performance Guarantees

**FA3 ATTACHMENT T: DPPO-SF TECHNICAL PROPOSAL (Part II)**

FA3 Attachment T-10: Disruption Analysis

**ATTACHMENT U: DENTAL SUPPLEMENTAL DATA**

[Filename: Attachment U\_Dental Supplemental Data.xlsx]

- U-1a: Utilization and Cost Schedule
- U-1b: Membership Analysis
- U-1c: DPPO Network Utilization
- U-2: Census Data Layout
- U-3: UCCI DHMO Claims & Enrollment
- U-4: UCCI DPPO Claims & Enrollment
- U-5: Table to provide average contracted fees by procedure and location

**3.5 Payment Terms**

3.5.1 Payment Specifications

For all functional areas, the Contractor shall not receive compensation for implementation services performed prior to January 1, 2015.

For all functional areas, the Contractor shall accept the payment procedures and parameters outlined in RFP Section 3.5.3 for claims payment by the State.

3.5.2 Payment Procedures - Non Claims (Administrative) for all three (3) Functional Areas

The Contractor shall:

- A. Accept monthly payments from the State of administration fees (for the State Plan) based on the State's deduction report data (calculated by the State). [ex. November's payment reconciles September actual deductions to September's estimated payment and estimates November payment based on September's actuals.]

- B. Accept payment from the State as processed through normal State transmittal process (i.e., transmittal sent to Annapolis, EFT transfer to Offeror. Payment is usually made by the last day of each month.)
- C. For any recoveries as a result of fraud or an audit, pay the State any portion due it via a separate check payment and provide documented substantiation. The Contractor shall report on activity twice a year, at six-month intervals.
- D. The State shall make payment to the Contractor as follows:

**Active employees:** Active employees are generally paid on a biweekly basis, with deductions for health plan coverage taken from 24 paychecks. State Employees who work at the University of Maryland or other State colleges or universities may choose a paycheck schedule in which they are not paid over the summer months (21-pay). These individuals may have multiple benefit deductions in their last scheduled deduction before the summer months. Certain employees of the Maryland General Assembly and Judiciary, i.e., State legislators and Judges, are paid on a monthly basis. Deductions will occur on a monthly, rather than a bi-weekly basis for these employees.

The State will send a payment to the Contractor once a month. The first payment for the fiscal year is paid in mid-February. This payment will provide an estimated payment for the months of January and February. The estimate is based on the first Central Payroll and University of Maryland deduction report for the month of January. The State will multiply this first payroll by four, thereby estimating two months' worth of deductions. The next payment for the plan year will be paid in March and will include reconciliation for January. The Contractor should receive this payment around mid-March. For example:

**Payment #1 – January and February Payment**

First deduction report in January for CPB employees		\$500,000
	for USM employees	<u>\$250,000</u>
		\$750,000
January estimated payment	2 x \$750,000 =	\$1,500,000
February estimated payment	2 x \$750,000 =	<u>\$1,500,000</u>
Payment #1 of plan year		\$3,000,000

**Payment #2 – March Payment**

Actual deductions for January	CPB – 1 <sup>st</sup> pay period	\$500,000
	– 2 <sup>nd</sup> pay period	\$550,000
	USM – 1 <sup>st</sup> pay period	\$250,000
	– 2 <sup>nd</sup> pay period	<u>\$260,000</u>
Total January actual deductions		\$1,560,000
January estimated payment:	2 x \$750,000 =	\$1,500,000
Adjustment for January		\$60,000
March estimated payment based on January actual payment		\$1,560,000
Payment #2 – March 15th		\$1,620,000

Payment # 3 will adjust for February and provide an estimated payment for April.

Payments #4 through #12 will follow same procedure through the plan year as payment number three.

These payments will also include any retroactive adjustments and No Pay payments (i.e. late payments for a prior period of coverage) received during the month.

**Retirees:** Pension and retirement allowance payments are processed at the end of the month, and deductions are taken once a month. The State will send a payment to the Contractor once a month based upon the actual deduction reports from the State Retirement System. The first payment for the fiscal year is paid in early February because deduction reports are not available until the first of the month following the period of coverage.

Payment #1 - January payment will be paid around the middle of February based on the actual January retiree deduction report.

Payment #2 - February payment will be paid around the middle of March based on the actual February retiree deduction report.

Payments #3 through #12 will follow the same procedure.

Retiree payments may also include any retroactive adjustments received during the month.

**Direct Pay Enrollees:** This category includes contractual employees and other individuals who are billed directly by the State for their health coverage. The State will send a payment to the Contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the fiscal year is paid in early February. This payment will include all premiums received



during the month of January, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an individual in January that pays for the months of January through April, the State will forward payment for the four months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the Contractor to support the monthly payment.

Payment #1 - January payment will be paid toward the end of February based on the actual premiums received during the month of January.

Payment #2 - February payment will be paid toward the end of March based on the actual premiums received during the month of February.

Payments #3 through #12 will follow the same procedure.

**Satellite Account Employees:** This category includes governmental and non-profit agencies covered by the State's program. The State will send a payment to the Contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the calendar year is paid in early February. This payment will include all premiums received during the month of January, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an agency in January that pays for the months of January and February, the State will forward payment for the two months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the Contractor to support the monthly payment.

Payment #1 - January payment will be paid around the 15th of February based on the actual premiums received during the month of January.

Payment #2 - February payment will be paid around the 15th of March based on the actual premiums received during the month of February.

Payments #3 through #12 will follow the same procedure.

### 3.5.3 Payment Procedures - Claims Payment Specifications for Functional Area 3 (DPPO-SF)

The Contractor shall:

- 1.) Invoice the State processed claims on a weekly basis, with claims broken out by Member/Participant subgroup (active, retired, Satellite Account, Direct Pay) for the State Plan. Invoices will be sent to the State by 10:00 a.m. Local Time each Monday (or next State business day if Monday is a holiday) for claims processed the prior week. Invoices received after 10:00 a.m. will be processed for payment as per Section 4 (Consideration and Payment) of the Contract.
- 2.) Submit to the State for each claim invoiced, a 100-character record with claims detail (**Attachment R-100 Character File Layout**). The file containing these records must equal the amount invoiced and be submitted within 48 hours of invoice submission.
- 3.) Accept adjustments based on the reconciliation of State's invoice amount and 100-character file. Applicable adjustments will be made to a subsequent invoice.

## **3.6 Security Requirements**

### 3.6.1 Employee Identification

- (a) Each person who is an employee or agent of the Contractor or subcontractor shall display his or her company ID badge at all times while on State premises. Upon request of authorized State personnel, each such employee or agent shall provide additional photo identification.
- (b) At all times at any facility, the Contractor's personnel shall cooperate with State site requirements that include but are not limited to being prepared to be escorted at all times, providing information for badge issuance, and wearing the badge in a visual location at all times.

### 3.6.2 Information Technology

- (a) Contractors shall comply with and adhere to the State IT Security Policy and Standards. These policies may be revised from time to time and the Contractor shall comply with all such revisions. Updated and revised versions of the State IT Policy and Standards are available online at: [www.doit.maryland.gov](http://www.doit.maryland.gov) – keyword: Security Policy.
- (b) The Contractor shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.

## **3.7 Insurance Requirements**

- 3.7.1 The Contractor shall maintain Commercial General Liability Insurance with limits sufficient to cover losses resulting from, or arising out of, Contractor action or inaction in the performance of the Contract by the Contractor, its agents, employees, or subcontractors, but no less than a Combined Single Limit for Bodily Injury, Property Damage, and Personal and Advertising Injury Liability of \$1,000,000 per occurrence and \$2,000,000 aggregate.
- 3.7.2 The Contractor shall maintain Errors and Omissions/Professional Liability insurance with minimum limits of \$1,000,000 per occurrence.
- 3.7.3 The Contractor shall maintain Automobile and/or Commercial Truck Insurance as appropriate with Liability, Collision, and PIP limits no less than those required by the State where the vehicle(s) is registered but in no case less than those required by the State of Maryland.
- 3.7.4 The Contractor shall maintain Employee Theft Insurance with minimum limits of \$1,000,000 per occurrence.
- 3.7.5 Within five (5) Business Days of execution of a Contract with the State, the Contractor shall provide the Contract Monitor with current certificates of insurance, and shall update such certificates from time to time but no less than annually in multi-year contracts, as directed by

the Contract Monitor. Such copy of the Contractor's current certificate of insurance shall contain at minimum the following:

- a. Workers' Compensation – The Contractor shall maintain such insurance as necessary and/or as required under Workers' Compensation Acts, the Longshore and Harbor Workers' Compensation Act, and the Federal Employers' Liability Act.
- b. Commercial General Liability as required in Section 3.7.1.
- c. Errors and Omissions/Professional Liability as required in Section 3.7.2.
- d. Automobile and/or Commercial Truck Insurance as required in Section 3.7.3.
- e. Employee Theft Insurance as required in Section 3.7.4.

3.7.6 The State shall be named as an additional named insured on the policies with the exception of Worker's Compensation Insurance and Professional Liability Insurance. Certificates of insurance evidencing coverage shall be provided prior to the commencement of any activities in the Contract. All insurance policies shall be endorsed to include a clause that requires that the insurance carrier provide the Contract Monitor, by certified mail, not less than 45 days' advance notice of any non-renewal, cancellation, or expiration. In the event the Contract Monitor receives a notice of non-renewal, the Contractor shall provide the Contract Monitor with an insurance policy from another carrier at least 30 days prior to the expiration of the insurance policy then in effect. All insurance policies shall be with a company licensed by the State to do business and to provide such policies.

3.7.7 The Contractor shall require that any subcontractors providing services under this Contract obtain and maintain similar levels of insurance and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

### **3.8 Problem Escalation Procedure**

3.8.1 The Contractor must provide and maintain a written Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within appropriate timeframes.

The Contractor shall provide contact information to the Contract Monitor, as well as to other State personnel, as directed should the Contract Monitor not be available.

3.8.2 The Contractor must provide the Final PEP no later than ten (10) Business Days after notice of Contract award or after the date of the Notice to Proceed, whichever is earlier. The PEP, including any revisions thereto, must also be provided within ten (10) Business Days after the start of each Contract year (and within ten (10) Business Days after any change in circumstance which changes the PEP). The PEP shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. The PEP shall include:

- The process for establishing the existence of a problem;
- The maximum duration that a problem may remain unresolved at each level in the Contractor’s organization before automatically escalating the problem to a higher level for resolution;
- Circumstances in which the escalation will occur in less than the normal timeframe;
- The nature of feedback on resolution progress, including the frequency of feedback, to be provided to the State;
- Identification of, and contact information for, progressively higher levels of personnel in the Contractor’s organization who would become involved in resolving a problem;
- Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays, etc.) and on an emergency basis; and
- A process for updating and notifying the Contract Monitor of any changes to the PEP.

Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

### **3.9 Invoicing**

#### **3.9.1 General**

(a) All invoices for services shall be signed by the Contractor and submitted to the Contract Monitor. All invoices shall include the following information:

- Contractor name;
- Remittance address;
- Federal taxpayer identification number (or if sole proprietorship, the individual’s social security number);
- Invoice period;
- Invoice date;
- Invoice number
- State assigned Contract number;
- State assigned (Blanket) Purchase Order number(s);
- Goods or services provided; and
- Amount due.

Invoices submitted without the required information cannot be processed for payment until the Contractor provides the required information.

(b) The Department reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the Department with all required deliverables within the time frame specified in the Contract or in the event that the Contractor otherwise materially breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract. Any action on the part of the Department, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.02.

### 3.9.2 Invoice Submission Schedule

The Contractor shall submit invoices in accordance with the following schedule:

Invoices are due by the 15<sup>th</sup> of the month following the month in which services were performed.

### 3.10 MBE Reports

If this solicitation includes a MBE Goal (see Section 1.33), the Contractor and its MBE subcontractors shall provide the following MBE Monthly Reports based upon the commitment to the goal:

- (a) **Attachment D-4**, the MBE Participation Prime Contractor Paid/Unpaid MBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the MBE Liaison Officer.
- (b) **Attachment D-5**, the MBE Participation Subcontractor Paid/Unpaid MBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the MBE Liaison Officer.

### 3.11 VSBE Reports

If this solicitation includes a VSBE Goal (see Section 1.41), the Contractor and its VSBE subcontractors shall provide the following VSBE Monthly Reports based upon the commitment to the goal:

- (a) **Attachment M-3**, the VSBE Participation Prime Contractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.
- (b) **Attachment M-4**, the VSBE Participation Subcontractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.

### 3.12 SOC 2, Type II Audit Report

The Contractor shall have an annual audit performed by an independent audit firm of its handling of the Department's critical functions and/or sensitive information, which is identified as Insurance Claims Processing Services, to include member portal, enrollment eligibility and billing functions (collectively referred to as the "Information Functions and/or Processes"). Such audits shall be performed in accordance with audit guidance: *Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2)* as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly-recognized professional organization, as agreed to by the Department, to assess the security of outsourced client functions or data (collectively, the "Guidance") as follows:

- 1) The type of audit to be performed in accordance with the Guidance is a SOC 2 Type II Report. The SOC 2 Report shall be completed annually at the following intervals: Report to be submitted by May 1 for the preceding calendar year.

- 2) The SOC 2 Report shall report on a description of the Contractor's system and the suitability of the design and operating effectiveness of controls of the Information Functions and/or Processes relevant to the following trust principles: [Processing Integrity, Security, Availability, Confidentiality, and/or Privacy ] as defined in the Guidance. (Suggest consulting with your Chief Information Officer or a director of internal audits to determine which trust principles are applicable for your Contract).
- 3) The SOC 2 Report shall include work performed by subcontractors that provide essential support to the Contractor for the Information Functions and/or Processes for the services provided to the Department under the Contract. The Contractor shall ensure the performance of the SOC 2 Audits includes its subcontractor(s).
- 4) All SOC 2 Audits, including the SOC 2 Audits of Contractor's subcontractors, shall be performed at the Contractor's expense.
- 5) The Contractor shall promptly provide a complete copy of the final SOC 2 Report to the Department's Contract Manager upon completion of each SOC 2 Audit engagement.
- 6) The Contractor shall provide to the Department's Contract Manager, within 30 calendar days of the issuance of the final SOC 2 Report, a documented corrective action plan which addresses each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.
- 7) If the Contractor currently has an annual information security assessment performed that includes the operations, systems, and repositories of the Information Functions and/or Processes services being provided by the Contractor to the Department under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the Department will determine in consultation with appropriate State government technology and audit authorities whether the Contractor's current audits are acceptable in lieu of the SOC 2 Report(s).
- 8) If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by May 1 for the preceding calendar year, the Department shall have the right to retain an independent audit firm to perform an audit engagement to issue a SOC 2 Report of the Information Functions and/or Processes being hosted by the Contractor. The Contractor agrees to allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s), and provide reasonable support to the independent audit firm in the performance of the engagement. The Department will invoice the Contractor for the expense of the SOC 2 Audit(s), or deduct the cost from future payments to the Contractor.

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## SECTION 4 – PROPOSAL SUBMISSION

### 4.1 Two Part Submission

Offerors must submit proposals in two separate volumes for each functional area being submitted:

- Volume I – TECHNICAL PROPOSAL
- Volume II – FINANCIAL PROPOSAL

Clearly identify the name of the functional Area being submitted on the cover of each volume of each proposal. (For example, if the Offeror is submitting a proposal for the DHMO functional area 1, the volumes should be labeled “Volume I – Functional Area 1-DHMO-FI Technical Proposal” and “Volume II – Functional Area 1-DHMO-FI Financial Proposal”).

### 4.2 Proposals

**The Offeror shall provide a complete Technical Proposal and Financial Proposal for each Functional Area being proposed.**

4.2.1 **For each functional area proposed**, Volume I – Technical Proposal, and Volume II – Financial Proposal shall be sealed separately from one another. Volume I – Technical Proposal shall contain an unbound original, so identified, and six (6) bound copies and Volume II – Financial Proposal shall contain an unbound original, so identified, and two (2) bound copies. The two (2) sealed Volumes shall be submitted together under one (1) label bearing:

- The RFP title and number,
- Name and address of the Offeror,
- Name, email address and telephone number of Contact Person,
- The volume number (I or II), and
- Closing date and time for receipt of Proposals

to the Procurement Officer (see Section 1.5 “Procurement Officer”) prior to the date and time for receipt of Proposals (see Section 1.11 “Proposals Due (Closing) Date and Time”).

4.2.2 **For each functional area proposed**, three (3) electronic versions (on CD) of the Technical Proposal in Microsoft Word format must be enclosed with the original Technical Proposal. **For each functional area proposed**, three (3) electronic versions (on CD) of the Financial Proposal in Microsoft Excel format must be enclosed with the original Financial Proposal. CDs must be labeled on the outside with the RFP title and number, name of the Offeror, and volume number. CDs must be packaged with the original copy of the appropriate Proposal (Technical or Financial). Electronic version (on CD) must be a complete proposal containing all information contained in the hard copy.

4.2.3 A second electronic version of Volume I and Volume II in searchable Adobe .pdf format shall be submitted on CD for Public Information Act (PIA) requests. This copy shall be redacted so that confidential and/or proprietary information has been removed (see Section 1.14 “Public Information Act Notice”).

- 4.2.4 Proposals and any modifications to Proposals will be shown only to State employees, members of the Evaluation Committee, or other persons deemed by the Department to have a legitimate interest in them.

### **4.3 Delivery**

Offerors may either mail or hand-deliver Proposals.

- 4.3.1 For U.S. Postal Service deliveries, any Proposal that has been received at the appropriate mailroom, or typical place of mail receipt, for the respective procuring unit by the time and date listed in the RFP will be deemed to be timely. If an Offeror chooses to use the U.S. Postal Service for delivery, the Department recommends that it use Express Mail, Priority Mail, or Certified Mail only as these are the only forms for which both the date and time of receipt can be verified by the Department. An Offeror using first class mail will not be able to prove a timely delivery at the mailroom and it could take several days for an item sent by first class mail to make its way by normal internal mail to the procuring unit.
- 4.3.2 Hand-delivery includes delivery by commercial carrier acting as agent for the Offeror. For any type of direct (non-mail) delivery, Offerors are advised to secure a dated, signed, and time-stamped (or otherwise indicated) receipt of delivery.
- 4.3.3 After receipt, a Register of Proposals will be prepared that identifies each Offeror. The Register of Proposals will be open to inspection only after the Procurement Officer makes a determination recommending the award of the Contract.

### **4.4 Volume I – Technical Proposal**

**Note: No pricing information is to be included in the Technical Proposal (Volume 1). Pricing information is to be included only in the Financial Proposal (Volume II).**

#### 4.4.1 Format of Technical Proposal

Inside a sealed package described in Section 4.2 “Proposals,” the unbound original, six (6) copies, and the three (3) electronic versions (on CD) shall be provided. The RFP sections are numbered for ease of reference. Section 4.4.3 sets forth the order of information to be provided in the Technical Proposal, e.g., Section 4.4.3.1 “Title and Table of Contents,” Section 4.4.3.2 “Claim of Confidentiality,” Section 4.4.3.3 “Transmittal Letter,” Section 4.4.3.4 “Executive Summary,” etc. In addition to the instructions below, responses in the Offeror’s Technical Proposal should reference the organization and numbering of Sections in the RFP (ex. “Section 3.2.1 Response . . . ; “Section 3.2.2 Response . . . ,” etc.). This proposal organization will allow State officials and the Evaluation Committee (see RFP Section 5.1) to “map” Offeror responses directly to RFP requirements by Section number and will aid in the evaluation process.

#### 4.4.2 Additional Required Technical Submissions

- 4.4.2.1 The following documents shall be completed, signed, and included in the Technical Proposal, each in its own section that follows the material submitted in response to RFP Section 4.4.3.



- a. Completed Bid/Proposal Affidavit (**Attachment B**).
- b. Completed Maryland Living Wage Requirements Affidavit (**Attachment G-1**).
- c. Completed Certification of Investment Activities in Iran (**Attachment N**).

4.4.2.2 **\*If Required**, the following documents shall be completed, signed, and included in the Technical Proposal, each in its own section that follows the material submitted in response to Section 4.4.3. **\*See appropriate RFP Section to determine whether the Attachment is required for this procurement:**

- a. Completed MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment D1**) **\*see Section 1.33.**
- b. Completed Federal Funds Attachment (**Attachment H**) **\*see Section 1.35.**
- c. Completed Conflict of Interest Affidavit and Disclosure (**Attachment I**) **\*see Section 1.36.**
- d. Completed Mercury Affidavit (**Attachment L**) **\*see Section 1.40.**
- e. Completed Veteran-Owned Small Business Enterprise (VSBE) Utilization Affidavit and Subcontractor Participation Schedule. (**Attachment M-1**) **\*see Section 1.41.**
- f. Completed Location of the Performance of Services Disclosure (**Attachment O**) **\*see Section 1.44.**

**Each section of the Technical Proposal must be separated by a Tab as detailed below:**

4.4.3 **The Technical Proposal** shall include the following documents and information in the order specified as follows:

4.4.3.1 Title Page and Table of Contents

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

4.4.3.2 Claim of Confidentiality

Any information which is claimed to be confidential is to be noted by reference and included **after** the Title Page and **before** the Table of Contents, and if applicable, also in the Offeror's Financial Proposal. An explanation for each claim of confidentiality shall be included (see Section 1.14 "Public Information Act Notice"). **NOTE: An entire proposal should not be labeled confidential, but just those portions that can reasonably be shown to be proprietary or confidential.**

4.4.3.3 Technical Proposal Transmittal Letter

**A Transmittal Letter shall accompany the Technical Proposal of each Functional Area being proposed.** The purpose of this letter is to transmit the Proposal(s) and acknowledge the receipt of any addenda. The Transmittal Letter should be brief and signed by an individual who is authorized to commit the Offeror to the services identified in the Offeror's Technical Proposal and requirements as stated in this RFP. The Transmittal Letter should include the following:

- Name and address of Offeror;
- Name, title, e-mail address, and telephone number of primary contact for Offeror;
- Solicitation Title and Solicitation Number that Proposal is in response to;
- Signature, typed name, and title of an individual authorized to commit Offeror to its Proposal;
- Federal Employer Identification Number (FEIN) of the Offeror, or if a single individual, their Social Security Number (SSN);
- Offeror's eMM number;
- Offeror's MDOT MBE Certification Number (if applicable);
- Acceptance of all State RFP and Contract terms and conditions (see Section 1.24); if any exceptions are taken, they are to be noted in the Executive Summary (see Section 4.4.3.4);
- Location(s) from which services will be provided (see Section 1.34);
- Identification of the functional area(s) (DHMO-FI, DPPO-FI and/or DPPO-SF) being proposed; and
- Acknowledgement of all addenda to this RFP.

#### 4.4.3.4 Executive Summary

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled "Executive Summary." The Summary shall also clearly (i) identify the legal entity/entities responsible for submitting the proposal(s) and (ii) all the Functional Area(s) the Offeror is proposing to provide services for. The Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, including the Scope of Work, the Contract (Attachment A), or any other attachments; exceptions to the required format, terms and conditions of the Financial Proposal must also be clearly identified in the Executive Summary, without disclosing any pricing information. ***Exceptions to terms and conditions may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.***

If the Offeror has taken no exceptions to the requirements of this RFP, the Executive Summary shall so state.

The summary should also identify any additional or optional services that have not been requested but are being offered without additional charge. Such services may include administration services and/or additional benefits to the members. Any Performance Guarantees being offered, in addition to the required Performance Guarantees, should be outlined in the Executive Summary.

#### 4.4.3.5 Minimum Qualifications Documentation:

The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in Section 2 "Offeror Minimum Qualifications."

4.4.3.6 Offeror Technical Response to RFP Requirements and Proposed Work Plan

4.4.3.6.1 Offeror Technical Response to RFP Requirements

- A. The technical proposal must include a detailed response to Section 3.4, Description of Scope of Work Requirements, in Microsoft Word format, demonstrating that the Offeror has a comprehensive understanding of the requirements. The Offeror must include an explanation of the methodology of how the work will be done. In response to Section 3.3, General Requirements for All Functional Areas, please do not repeat information provided in the Attachments FA1 T, FA2 T and FA3 T.

Please submit response in Microsoft Word format and label as **"3.3.4 General Requirements."**

- B. The Offeror must complete the following sections for each proposed functional area.

<b>For Functional Area 1: DHMO-FI</b> [Filename: FA1 Attachment T_DHMO-FI Technical Proposal (Part I).docx]	
<b>Attachment FA1 T:</b>	<b>DHMO-FI Technical Proposal</b>
FA1 Attachment T-1:	Proposal Request
FA1 Attachment T-2:	Explanations and Deviations
FA1 Attachment T-3:	DHMO-FI Plan Design
FA1 Attachment T-4:	DHMO-FI Access
FA1 Attachment T-5:	DHMO-FI Dental Providers
FA1 Attachment T-6:	Compliance Checklist
FA1 Attachment T-7:	Questionnaire
FA1 Attachment T-8a:	Subcontractors Questionnaire
FA1 Attachment T-8b:	Subcontractors Questionnaire
FA1 Attachment T-8c:	Subcontractors Questionnaire
FA1 Attachment T-8d:	Subcontractors Questionnaire
FA1 Attachment T-8e:	Subcontractors Questionnaire
FA1 Attachment T-8f:	Subcontractors Questionnaire
FA1 Attachment T-9:	Performance Guarantees

<b>For Functional Area 1: DHMO-FI</b> [Filename: FA1 Attachment T_DHMO-FI Technical Proposal (Part II).docx]	
FA1 Attachment T-10:	Disruption based on Enrollment by Provider (United Concordia DHMO-FI)

<b>For Functional Area 2: DPPO-FI</b> [Filename: FA2 Attachment T_DPPO-FI Technical Proposal (Part I).docx]	
FA2 Attachment T-1:	Proposal Request
FA2 Attachment T-2:	Explanations and Deviations
FA2 Attachment T-3:	DPPO-FI Plan Design

**For Functional Area 2: DPPO-FI**

[Filename: FA2 Attachment T\_DPPO-FI Technical Proposal (Part I).docx]

FA2 Attachment T-4: DPPO-FI Access

FA2 Attachment T-5: DPPO-FI Dental Providers

FA2 Attachment T-6: Compliance Checklist

FA2 Attachment T-7: Questionnaire

FA2 Attachment T-8a: Subcontractors Questionnaire

FA2 Attachment T-8b: Subcontractors Questionnaire

FA2 Attachment T-8c: Subcontractors Questionnaire

FA2 Attachment T-8d: Subcontractors Questionnaire

FA2 Attachment T-8e: Subcontractors Questionnaire

FA2 Attachment T-8f: Subcontractors Questionnaire

FA2 Attachment T-9: Performance Guarantees

**For Functional Area 2: DPPO-FI**

[Filename: Attachment FA2 T\_DPPO-FI Technical Proposal (Part II).docx]

FA2 Attachment T-10: Disruption based on Paid Claims  
(United Concordia DPPO-FI)**For Functional Area 3: DPPO-SF**

[Filename: FA3 Attachment T\_DPPO-SF Technical Proposal (Part I).docx]

FA3 Attachment T-1: Proposal Request

FA3 Attachment T-2: Explanations and Deviations

FA3 Attachment T-3: DPPO-SF Plan Design

FA3 Attachment T-4: DPPO-SF Access

FA3 Attachment T-5: DPPO-SF Dental Providers

FA3 Attachment T-6: Compliance Checklist

FA3 Attachment T-7: Questionnaire

FA3 Attachment T-8a: Subcontractors Questionnaire

FA3 Attachment T-8b: Subcontractors Questionnaire

FA3 Attachment T-8c: Subcontractors Questionnaire

FA3 Attachment T-8d: Subcontractors Questionnaire

FA3 Attachment T-8e: Subcontractors Questionnaire

FA3 Attachment T-8f: Subcontractors Questionnaire

FA3 Attachment T-9: Performance Guarantees

**For Functional Area 3-DPPO-SF**

[Filename: Attachment FA3 T\_DPPO-SF Technical Proposal (Part II).docx]

FA3 Attachment T-10: Disruption based on Paid Claims  
(United Concordia DPPO-SF)

#### 4.4.3.6.2 Proposed Work Plan

- a. **For each Functional Area proposed**, the Offeror shall address the Project Implementation Milestones and Due Dates (Section 3.2), General Requirements for All Functional Areas (Section 3.3), and each Scope of Work requirement (Section 3.4) in its Technical Proposal and describe how its proposed services will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to a Scope of Work (Section 3.2) requirement shall include an explanation of how the work will be done. **Any exception to a requirement, term, or condition may result in having the Proposal classified as not reasonably susceptible of being selected for award or the Offeror deemed not responsible.**
- b. **For each Functional Area proposed**, the Offeror shall give a definitive description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. It shall include the specific methodology and techniques to be used by the Offeror in providing the required services as outlined in RFP Section 3, Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project management plan, including project control mechanisms and overall timelines. Project deadlines considered contract deliverables must be recognized in the Work Plan.
- c. The Offeror shall identify the location(s) in which it proposes to provide the services, including, if applicable, any current facilities that it operates, and any required construction to satisfy the State's requirements as outlined in this RFP.
- d. **For each Functional Area proposed**, the Offeror shall address the Security Requirements (Section 3.6) in its Technical Proposal.
- e. **For each Functional Area proposed**, the Offeror must provide a draft written Problem Escalation Procedure (PEP) that includes, at a minimum, names, titles and email addresses of individuals to be contacted by the Department's Contract Monitor should problems arise under the Contract and explain how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. Final procedures must be submitted as indicated in RFP Section 3.8.
- f. **For each Functional Area proposed**, the Offeror shall address the Audit Requirements (Section 3.12) in its Technical Proposal

#### 4.4.3.7 Experience and Qualifications of Proposed Staff

The Offeror shall identify the number and types of staff proposed to be utilized under the Contract.

The Offeror shall describe in detail how the proposed staff's experience and qualifications relate to their specific responsibilities, as detailed in the Work Plan. The Offeror shall include individual resumes for the key personnel who are to be assigned to the project if the Offeror is awarded the contract. Each resume should include the amount of experience the individual has had relative to the Scope of Work set forth in this solicitation. Letters of intended

commitment to work on the project, including any proposed subcontractors, shall be included in this section.

The Offeror is required to provide an Organizational Chart outlining personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must provide a reference document.

#### 4.4.3.8 Corporate Qualifications and Capabilities

The Offeror shall include information on past corporate experience with similar projects and/or services. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information:

- a. The number of years the Offeror has provided similar services;
- b. The number of clients/customers and geographic locations that the Offeror currently serves;
- c. The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under this Contract;
- d. The Offeror shall also describe how it is configured managerially, financially, and individually so as to afford the assurance that it can execute a contract successfully;
- e. The Offeror's process for resolving billing errors; and
- f. A corporate organizational chart that identifies the complete structure of the company including any parent company, headquarters, regional offices, and subsidiaries of the Offeror.

#### 4.4.3.9 List of Current or Prior State Contracts:

Provide a list of all contracts with any entity of the State of Maryland for which the Offeror is currently performing services or for which services have been completed within the last five (5) years. For each identified contract, the Offeror is to provide:

- a. The State contracting entity;
- b. A brief description of the services/goods provided;
- c. The dollar value of the contract;
- d. The term of the contract;
- e. The State employee contact person (name, title, telephone number, and, if possible, e-mail address); and
- f. Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

Information obtained regarding the Offeror's level of performance on State contracts will be used by the Procurement Officer to determine the responsibility of the Offeror and considered as part of the experience and past performance evaluation criteria of the RFP.

#### 4.4.3.10 Financial Capability

An Offeror must include in its Proposal a commonly-accepted method to prove its fiscal integrity. The Offeror shall include Financial Statements, preferably a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years (independently audited preferred).

In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response:

- a. Dunn and Bradstreet Rating;
- b. Standard and Poor's Rating;
- c. Lines of credit;
- d. Evidence of a successful financial track record; and
- e. Evidence of adequate working capital.

#### 4.4.3.11 Certificate of Insurance:

The Offeror shall provide a copy of the Offeror's current certificate of insurance. The recommended awardee must provide a certificate of insurance with the prescribed limits set forth in Section 3.4 "Insurance Requirements," naming the State as an additional insured if required, within five (5) Business Days from notification by the Procurement Officer that the Offeror has been determined to be the apparent awardee.

#### 4.4.3.12 Subcontractors:

The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and/or VSBE subcontracting goal, if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. The Offeror should include this description in its response to the Subcontractor Questions, Attachment FA1 T, FA2 T and/or FA3 T, as applicable, for each subcontractor proposed to be used on this contract.

#### 4.4.3.13 Legal Action Summary:

This summary shall include:

- a. A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action;
- b. A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years;
- c. A description of any judgments against the Offeror within the past five (5) years, including the case name, court case number, and what the final ruling or determination was from the court; and

- d. In instances where litigation is on-going and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.

#### 4.4.3.14 Economic Benefit Factors

The Offeror shall submit with its Proposal a narrative describing the benefits that will accrue to the Maryland economy as a direct or indirect result of its performance of this contract. Proposals will be evaluated to assess the benefit to Maryland's economy specifically offered. See COMAR 21.05.03.03A(3).

Proposals that identify specific benefits as being contractually enforceable commitments will be rated more favorably than Proposals that do not identify specific benefits as contractual commitments, all other factors being equal.

Offerors shall identify any performance guarantees that will be enforceable by the State if the full level of promised benefit is not achieved during the contract term.

As applicable, for the full duration of the contract, including any renewal period, or until the commitment is satisfied, the contractor shall provide, to the procurement officer or other designated agency personnel, reports of the actual attainment of each benefit listed in response to this section. These benefit attainment reports shall be provided quarterly, unless elsewhere in these specifications a different reporting frequency is stated.

Please note that in responding to this section, the following do not generally constitute economic benefits to be derived from this contract:

- a. generic statements that the State will benefit from the Offeror's superior performance under the contract;
- b. descriptions of the number of Offeror employees located in Maryland other than those that will be performing work under this contract; or
- c. tax revenues from Maryland based employees or locations, other than those that will be performing, or used to perform, work under this contract.

Discussion of Maryland-based employees or locations may be appropriate if the Offeror makes some projection or guarantee of increased or retained presence based upon being awarded this contract.

Examples of economic benefits to be derived from a contract may include any of the following. For each factor identified below, identify the specific benefit and contractual commitments and provide a breakdown of expenditures in that category:

- The contract dollars to be recycled into Maryland's economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Do not include actual fees or rates paid to subcontractors or information from your Financial Proposal;
- The number and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to



which the contractor has committed, including contractual commitments at both prime and, if applicable, subcontract levels. If no new positions or subcontracts are anticipated as a result of this Contract, so state explicitly;

- Tax revenues to be generated for Maryland and its political subdivisions as a result of the contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract;
- Subcontract dollars committed to Maryland small businesses and MBEs; and
- Other benefits to the Maryland economy which the Offeror promises will result from awarding the contract to the Offeror, including contractual commitments. Describe the benefit, its value to the Maryland economy, and how it will result from, or because of, the contract award. Offerors may commit to benefits that are not directly attributable to the contract, but for which the contract award may serve as a catalyst or impetus.

4.4.4 Additional Required Technical Submissions (with original of Technical Proposal only)

In addition to the information specified above, the Offeror must complete and submit the following attachments:

4.4.4.1 For Functional Area 1: DHMO-FI

Required Submission	Title
Geo-Access Report(s) <sup>®</sup> GeoNetworks <sup>®</sup>	Label as <b>"Response Attachment FA1 T-1: Geo-Access Report"</b>
Management Reporting Package	Label as <b>"Response Attachment FA1 T-1: Management Reporting Package"</b>
Claims Appeals Protocols	Label as <b>"Response Attachment FA1 T-1: Claims Appeals Protocols"</b>
Certificates of Insurance including Errors and Omissions and Commercial General Liability	Label as <b>"Response Attachment FA1 T-1: Certificates of Insurance"</b>
Provider Satisfaction Survey	Label as <b>"Response Attachment FA1 T-7: Provider Satisfaction Survey"</b>
Sample Member Letter – Provider Termination	Label as <b>"Response Attachment FA1 T-7: Member Letter-Provider Termination"</b>
Dental Director Resume	Label as <b>"Response Attachment FA1 T-7: Dental Director Resume"</b>
Implementation Team Organizational Chart	Label as <b>"Response Attachment FA1 T-7: Implementation Team Organizational Chart"</b>
Implementation Plan	Label as <b>"Response Attachment FA1 T-7: Implementation Plan"</b>

Required Submission	Title
Account Management Team Organizational Chart	Label as " <b>Response Attachment FA1 T-7: Account Management Team Organizational Chart</b> "
Account Management Support including Resumes	Label as " <b>Response Attachment FA1 T-7: Account Management Support</b> "
Completed Bid/Proposal Affidavit	Attachment B
Certified MBE Utilization and Fair Solicitation Affidavit	Attachment D-1
Completed MBE Pro-Ration Calculation Worksheet	Attachment D-1 Supplement
Completed Living Wage Affidavit of Agreement	Attachment G-1
Veteran-Owned Small Business Enterprise Utilization Affidavit	Attachment M-1
Veteran-Owned Project Participation Statement	Attachment M-2
Investment Activities in Iran Certification	Attachment N
Location of the Performance of Services Disclosure	Attachment O
Current copy of the Offeror's Certificate of Authority issued by MIA or evidence of acknowledgement of receipt of application for Certificate of Authority by the Go-Live Date (January 1, 2015).	Label as " <b>DHMO-Fully Insured, Current Certificate of Authority or Acknowledgement of Application Receipt</b> "

4.4.4.2 For Functional Area 2-DPPO-FI

Required Submission	Title
Geo-Access Report(s) <sup>®</sup> GeoNetworks <sup>®</sup>	Label as " <b>Response Attachment FA2 T-1: Geo-Access Report</b> "
Management Reporting Package	Label as " <b>Response Attachment FA2 T-1: Management Reporting Package</b> "
Claims Appeals Protocols	Label as " <b>Response Attachment FA2 T-1: Claims Appeals Protocols</b> "
Certificates of Insurance including Errors and Omissions and Commercial General Liability	Label as " <b>Response Attachment FA2 T-1: Certificates of Insurance</b> "

Required Submission	Title
Provider Satisfaction Survey	Label as <b>“Response Attachment FA2 T-7: Provider Satisfaction Survey”</b>
Sample Member Letter – Provider Termination	Label as <b>“Response Attachment FA2 T-7: Member Letter-Provider Termination”</b>
Dental Director Resume	Label as <b>“Response Attachment FA2 T-7: Dental Director Resume”</b>
Implementation Team Organizational Chart	Label as <b>“Response Attachment FA2 T-7: DPPO Implementation Team Organizational Chart”</b>
Implementation Plan	Label as <b>“Response Attachment FA2 T-7: DPPO Implementation Plan”</b>
Account Management Team Organizational Chart	Label as <b>“Response Attachment FA2 T-7: DPPO Account Management Team Organizational Chart”</b>
Account Management Support including Resumes	Label as <b>“Response Attachment FA2 T-7: DPPO Account Management Support”</b>
Completed Bid/Proposal Affidavit	Attachment B
Certified MBE Utilization and Fair Solicitation Affidavit	Attachment D-1
Completed MBE Pro-Ration Calculation Worksheet	Attachment D-1 Supplement
Completed Living Wage Affidavit of Agreement	Attachment G-1
Veteran-Owned Small Business Enterprise Utilization Affidavit	Attachment M-1
Veteran-Owned Project Participation Statement	Attachment M-2
Investment Activities in Iran Certification	Attachment N
Location of the Performance of Services Disclosure	Attachment O
Current copy of the Offeror’s Certificate of Authority issued by MIA or evidence of acknowledgement of receipt of application for Certificate of Authority by the Go-Live Date (January 1, 2015).	Label as <b>“DHMO-Fully Insured, Current Certificate of Authority or Acknowledgement of Application Receipt”</b>

4.4.4.3 For Functional Area 3-DPPO-SF

Required Submission	Title
Geo-Access Report(s) <sup>®</sup> GeoNetworks <sup>®</sup>	Label as <b>"Response Attachment FA3 T-1: Geo-Access Report"</b>
Management Reporting Package	Label as <b>"Response Attachment FA3 T-1: Management Reporting Package"</b>
Claims Appeals Protocols	Label as <b>"Response Attachment FA3 T-1: Claims Appeals Protocols"</b>
Certificates of Insurance including Errors and Omissions and Commercial General Liability	Label as <b>"Response Attachment FA3 T-1: Certificates of Insurance"</b>
Provider Satisfaction Survey	Label as <b>"Response Attachment FA3 T-7: Provider Satisfaction Survey"</b>
Sample Member Letter – Provider Termination	Label as <b>"Response Attachment FA3 T-7: Member Letter-Provider Termination"</b>
Dental Director Resume	Label as <b>"Response Attachment FA3 T-7: Dental Director Resume"</b>
Implementation Team Organizational Chart	Label as <b>"Response Attachment FA3 T-7: DPPO Implementation Team Organizational Chart"</b>
Implementation Plan	Label as <b>"Response Attachment FA3 T-7: DPPO Implementation Plan"</b>
Account Management Team Organizational Chart	Label as <b>"Response Attachment FA3 T-7: DPPO Account Management Team Organizational Chart"</b>
Account Management Support including Resumes	Label as <b>"Response Attachment FA3 T-7: DPPO Account Management Support"</b>
Completed Bid/Proposal Affidavit	Attachment B
Certified MBE Utilization and Fair Solicitation Affidavit	Attachment D-1
Completed MBE Pro-Ration Calculation Worksheet	Attachment D-1 Supplement
Completed Living Wage Affidavit of Agreement	Attachment G-1
Veteran-Owned Small Business Enterprise Utilization Affidavit	Attachment M-1
Veteran-Owned Project Participation Statement	Attachment M-2
Investment Activities in Iran Certification	Attachment N

Required Submission	Title
Location of the Performance of Services Disclosure	Attachment O
Current copy of the Offeror's Certificate of Authority issued by MIA or evidence of acknowledgement of receipt of application for Certificate of Authority by the Go-Live Date (January 1, 2015).	Label as " <b>DHMO-Fully Insured, Current Certificate of Authority or Acknowledgement of Application Receipt</b> "

**4.5 Volume II – Financial Proposal**

Under separate sealed cover from the Technical Proposal and clearly identified in the format identified in Section 4.2 "Proposals," the Offeror shall submit an original unbound copy, two (2) bound copies, and three (3) electronic versions (on CD) in Microsoft Excel of the Financial Proposal. The Financial Proposal shall contain all price information in the format specified in **Attachment F**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself.

4.5.1 Financial Proposal Transmittal Letter

- A. **A Transmittal Letter shall accompany the Technical Proposal of each Functional Area being proposed.** The transmittal letter does not need to be bound with the financial proposal. The purpose of this letter is to transmit the financial proposal(s) and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to all the services identified in the Offeror's Technical Proposal at the prices of the services identified in the Offeror's Financial Proposal for all requirements as stated in this RFP; the signature on the transmittal letter shall signify the Offeror's concurrence with and obligation to all contents of its Financial Proposal. The transmittal letter should also include the Offeror's company name, address and Federal Employer Identification Number (FEIN). See Section 1.26, "Offeror's responsibilities." Offeror should also indicate the functional area(s) (DHMO-FI, DPPO-FI and/or DPPO-SF) to which they are proposing and the name, title, telephone number and email address for their internal contact person regarding this solicitation and RFP.

4.5.2 Financial Proposal Format and Instructions

- A. The Financial Proposal must contain all cost information in the format specified in Attachments F(FA1), F(FA2) and F(FA3) and the related Exhibits. Complete the cost sheets as provided here and in the Price Proposal Instructions on the Cover Page tab (Tab F1 of each Financial Proposal).
- B. Offeror must provide firm, fixed monthly premium rates by tier level as outlined in Attachments F(FA1) and F(FA2) and fixed monthly administration fees as outlined in

Attachment F(FA3). The State expects the Offeror who is awarded a contract under this solicitation to validate its rates for contract years 1 through 5 and, if warranted based on renewal negotiations with the State, to reduce the premium rates quoted in its proposal.

All fees must be quoted on a fully loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the contract after award, nor will the Contractor be compensated on any basis other than the applicable fully loaded rates.

- C. For each functional area the RFP contains an Excel file containing instructions and response pages for financial proposals. Offeror’s **Volume II – Financial Proposal** must be submitted in the format specified below.

4.5.2.1 For Functional Area 1: DHMO-FI

<b>For Functional Area 1: DHMO-FI</b>	
[Filename: FA1 Attachment F_DHMO-FI Financial Proposal.xlsx]	
<b>FA1 Attachment F:</b>	<b>DHMO-FI Financial Proposal</b>
FA1 Attachment F-1:	Financial Proposal
FA1 Attachment F-2:	Financial Compliance Checklist
FA1 Attachment F-3:	Explanations and Deviations
FA1 Attachment F-4:	Maximum Premium Rates
FA1 Attachment F-5:	Offeror Premium Analysis

4.5.2.2 For Functional Area 2: DPPO-FI

<b>For Functional Area 2: DPPO-FI</b>	
[Filename: FA2 Attachment F_DPPO-FI Financial Proposal.xlsx]	
<b>FA2 Attachment F:</b>	<b>DPPO-FI Financial Proposal</b>
FA2 Attachment F-1:	Financial Proposal
FA2 Attachment F-2:	Financial Compliance Checklist
FA2 Attachment F-3:	Explanations and Deviations
FA2 Attachment F-4:	Maximum Premium Rates
FA2 Attachment F-5:	Offeror's Premium Analysis

4.5.2.3 For Functional Area 3: DPPO-SF

<b>For Functional Area 3-DPPO-SF</b>	
[Filename: FA3 Attachment F_DPPO-SF Financial Proposal.xlsx]	
<b>FA3 Attachment F:</b>	<b>DPPO-SF Financial Proposal</b>
FA3 Attachment F-1:	DPPO-SF Financial Proposal
FA3 Attachment F-2:	Financial Compliance Checklist
FA3 Attachment F-3:	Explanations and Deviations
FA3 Attachment F-4:	ASO Rates
FA3 Attachment F-5:	Financial Summary
FA3 Attachment F-6:	Average Reimbursements for Contracted Providers

## **SECTION 5 – EVALUATION COMMITTEE, EVALUATION CRITERIA, AND SELECTION PROCEDURE**

### **5.1 Evaluation Committee**

Evaluation of Proposals will be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee will review proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The Department reserves the right to utilize the services of individuals outside of the established Evaluation Committee for advice and assistance, as deemed appropriate.

### **5.2 Technical Proposal Evaluation Criteria**

The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance.

- 5.2.1 Offeror’s Technical Response to RFP Requirements and Work Plan, including Network Access (Offeror’s current network size, accessibility and stability). (See RFP Section 4.4.3.6 and Attachments FA1 T, FA2 T and FA3 T – 4 and 5 Provider Network Analysis and Dental Providers)

The State prefers an Offeror’s response to work requirements in the RFP that illustrates a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be done. Responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Offerors who demonstrate they understand a work requirement and have a plan to meet or exceed it.

- 5.2.2 Offeror’s ability to cover current eligible participants (see FA1 Attachment T-10: Disruption Analysis, FA1 Attachment T, FA2 Attachment T and FA3 Attachment T, Section 1, Members’ Access to Providers, Section 4, Provider Network Access and Section 5, Dental Providers.)
- 5.2.3 Comparability of Proposal Plan Designs to existing DHMO and DPPO Plan designs. (see RFP § 4.4.3.6.1(B), Attachments FA1 T, FA2 T and FA3 T, Plan Design.)
- 5.2.4 Corporate Experience and Capabilities (See RFP Sections 4.4.3.8, 4.4.3.9 & 4.4.3.10).
- 5.2.5 Staffing Plan (Account Management and Implementation), Personnel, Qualification and Professional Experience), (see RFP Section 4.4.3.7 and Attachments FA1 T, FA2 T and FA3 T).
- 5.2.6 Economic Benefit to State of Maryland (See RFP Section 4.4.3.14).

### **5.3 Financial Proposal Evaluation Criteria**

All qualified Offerors will be ranked from the lowest (most advantageous) to the highest (least advantageous) price based on the Total Evaluated Price for the appropriate functional area within the stated guidelines set forth in this RFP and as submitted on **Attachment F** - Financial Proposal Form.

For Functional Area 1: DHMO-FI, the ranking will be based on the “Cumulative Cost Contract Years 1-5” as provided by the Offeror in Financial Proposal Attachment FA1 F-4: Premium Rates (DHMO-FI) line 7.

For Functional Area 2: DPPO-FI, the ranking will be based on the “Cumulative Cost for Contract Years 1-5” as provided by the Offeror in the Financial Proposal Attachment FA2 F-4: Premium Rates (DPPO-FI) line 7.

For Functional Area 3: DPPO-SF, the ranking will be based on the “Cumulative Cost for Contract Years 1-5” as provided by the Offeror in the Financial Proposal Attachment FA3 F-6: Financial Summary (DPPO-SF) line 6.

#### **5.4 Reciprocal Preference**

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, COMAR 21.05.01.04 requires that procuring units apply a reciprocal preference under the following conditions:

- The most advantageous offer is from a responsible Offeror whose headquarters, principal base of operations, or principal site (that will primarily provide the services required under this RFP) is in another state.
- The other state gives a preference to its resident businesses through law, policy, or practice; and
- The preference does not conflict with a Federal law or grant affecting the procurement Contract.

The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

#### **5.5 Selection Procedures**

##### **5.5.1 General**

The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The Competitive Sealed Proposals method allows for the conducting of discussions and the revision of Proposals during these discussions. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.

In either case (i.e., with or without discussions), the State may determine an Offeror to be not responsible and/or an Offeror’s Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and prior to Contract award. If the State finds an Offeror to be not responsible and/or an Offeror’s Technical Proposal to be not reasonably susceptible of being selected for award, that Offeror’s Financial Proposal will be returned if the Financial Proposal is unopened at the time of the determination.



## 5.5.2 Selection Process Sequence

- 5.5.2.1 A determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1**) is included and is properly completed, if there is a MBE goal. In addition, a determination is made that the Veteran-Owned Small Business Enterprise (VSBE) Utilization Affidavit and Subcontractor Participation Schedule **Attachment M-1** is included and is properly completed, if there is a VSBE goal.
- 5.5.2.2 Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform the services, as well as to facilitate arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.
- 5.5.2.3 Offerors must confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Technical Proposal. Proposals are given a final review and ranked.
- 5.5.2.4 The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the evaluation committee or Procurement Officer may again conduct discussions to further evaluate the Offeror's entire Proposal.
- 5.5.2.5 When in the best interest of the State, the Procurement Officer may permit Qualified Offerors that have submitted acceptable Proposals to revise their initial Proposals and submit, in writing, Best and Final Offers (BAFOs). The State may make an award without issuing a request for a BAFO.

## 5.5.3 Award Determination

Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror will receive an overall ranking. The Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this determination, technical factors will receive equal weight with financial factors.

## 5.6 Documents Required upon Notice of Recommendation for Contract Award

Upon receipt of a Notification of Recommendation for Contract Award, the following documents shall be completed and submitted by the recommended awardee within five (5) Business Days, unless noted otherwise. Submit three (3) copies of each with original signatures:

- a. signed Contract (**Attachment A**),
- b. completed Contract Affidavit (**Attachment C**),
- c. completed MBE **Attachments D-2 and D-3**, within ten (10) Working Days, if applicable; **\*see Section 1.33**,

- d. completed MBE **Attachment D-6** if a waiver has been requested, within ten (10) Working Days, if applicable; **\*see Section 1.33**,
- e. signed HIPAA Business Associate Agreement (**Attachment K**), if applicable; **\*see Section 1.38**,
- f. completed VSBE **Attachment M-2**, if applicable **\*see Section 1.41**,
- g. completed DHR Hiring Agreement, **Attachment P**, if applicable **\*see Section 1.45**, and
- h. copy of a current Certificate of Insurance with the prescribed limits set forth in Section 3.4 "Insurance Requirements," naming the State as an additional insured, if applicable; **\*see Section 3.4**.

**The remainder of this page is intentionally left blank.**

## ATTACHMENTS

In addition to eMaryland Marketplace ([HTTP://EMARYLAND.BUYSPEED.COM](http://EMARYLAND.BUYSPEED.COM)), all Attachments are posted at [WWW.DBM.MARYLAND.GOV](http://WWW.DBM.MARYLAND.GOV) (under the Procurement and Contracts tab) as separate electronic files:

### **ATTACHMENT A – Contract**

This is the sample contract used by the Department. It is provided with the RFP for informational purposes and is not required to be submitted at Proposal submission time. Upon notification of recommendation for award, a completed contract will be sent to the recommended awardee for signature. The recommended awardee must return to the Procurement Officer three (3) executed copies of the Contract within five (5) Business Days after receipt. Upon Contract award, a fully-executed copy will be sent to the Contractor.

### **ATTACHMENT B – Bid/Proposal Affidavit**

This Attachment must be completed and submitted with the Technical Proposal.

### **ATTACHMENT C – Contract Affidavit**

This Attachment must be completed and submitted by the recommended awardee to the Procurement Officer within five (5) Business Days of receiving notification of recommendation for award.

### **ATTACHMENT D – Minority Business Enterprise Forms**

If required (see Section 1.33), these Attachments include the MBE subcontracting goal statement, instructions, and MBE Attachments D-1 through D-6. Attachment D-1 must be properly completed and submitted with the Offeror's Technical Proposal or the Proposal will be deemed not reasonably susceptible of being selected for award and rejected. Within 10 Working Days of receiving notification of recommendation for Contract award, the Offeror must submit Attachments D-2 and D-3 and, if the Offeror has requested a waiver of the MBE goal, Attachment D-6.

### **ATTACHMENT E – Pre-Proposal Conference Response Form**

It is requested that this form be completed and submitted as described in Section 1.7 by those potential Offerors that plan on attending the Pre-Proposal Conference.

### **ATTACHMENT F – Financial Proposal Instructions and Form**

The Financial Proposal Form *for each Functional Area being proposed* must be completed and submitted as the Financial Proposal *for each Functional Area being proposed*. Complete the following files in Microsoft Excel:

<b>Functional Area 1:</b>	<b>F(FA1) – DHMO-FI Financial Proposal.xlsx</b>
<b>Functional Area 2:</b>	<b>F(FA2) – DDPPO-FI Financial Proposal.xlsx</b>
<b>Functional Area 3:</b>	<b>F(FA3) – DDPPO-SF Financial Proposal.xlsx</b>

### **ATTACHMENT G – Maryland Living Wage Requirements for Service Contracts and Affidavit of Agreement**

Attachment G-1 Living Wage Affidavit must be completed and submitted with the Technical Proposal.

**ATTACHMENT H – Federal Funds Attachment**

Not applicable.

**ATTACHMENT I – Conflict of Interest Affidavit and Disclosure**

Not applicable.

**ATTACHMENT J – Non-Disclosure Agreement (Potential Offeror)**

If required (see Section 1.37), this Attachment must be completed and submitted to the Procurement Officer at the Pre-Proposal Conference, or thereafter, in order for the Potential Offeror to gain access to certain demographic data which will help in pricing and building and submitting a proposal in response to this RFP.

**ATTACHMENT K – HIPAA Business Associate Agreement**

If required (see Section 1.38), this Attachment is to be completed and submitted within five (5) Business Days of receiving notification of recommendation for award. However, to expedite processing, it is suggested that this document be completed and submitted with the Technical Proposal.

**ATTACHMENT L – Mercury Affidavit**

Not applicable.

**ATTACHMENT M – Veteran-Owned Small Business Enterprise Forms**

If required (see Section 1.41), these Attachments include the VSBE Attachments M-1 through M-4. Attachment M-1 must be completed and submitted with the Technical Proposal. Attachment M-2 is required to be submitted within ten (10) Business Days of receiving notification of recommendation for award.

**ATTACHMENT N – Certification of Investment Activities in Iran**

This Attachment must be completed and submitted with the Technical Proposal.

**ATTACHMENT O – Location of the Performance of Services Disclosure**

If required (see Section 1.44), this Attachment must be completed and submitted with the Technical Proposal.

**ATTACHMENT P – Department of Human Resources (DHR) Hiring Agreement**

Not applicable.

**ATTACHMENT Q – NAIC 120-1 Model COB Contract Provisions**

**ATTACHMENT R – 100 Character File Layout**

**ATTACHMENT S – Proposal Submission Checklist**

**ATTACHMENT T – Offeror Technical Proposal Submission**

The Technical Proposal Form *for each Functional Area being proposed* must be completed and submitted as the Technical Proposal *for each Functional Area being proposed*. Complete the following files in Microsoft Word:

- Functional Area 1: FA1 T – DHMO-FI Technical Proposal.docx**
- Functional Area 2: FA2 T – DPPO-FI Technical Proposal.docx**
- Functional Area 3: FA3 T – DPPO-SF Technical Proposal.docx**

**ATTACHMENT U – Dental Supplemental Data**

This information will be provided through secure file transfer upon receipt of the signed Non-Disclosure Agreement (Potential Offeror) [Attachment J] at the Pre-Proposal Conference, or thereafter.